



McGRATH LIMITED (ASX: MEA)

OVERVIEW OF McGRATH SCHEME IMPLEMENTATION DEED WITH KNIGHT FRANK AND BAYLEYS

JOHN McGRATH
MANAGING DIRECTOR & CEO

JULIANA NGUYEN
INDEPENDENT DIRECTOR

25 MARCH 2024

DISCLAIMER

This Presentation has been prepared by McGrath Limited (**McGrath**) in connection with the proposed acquisition of all of the shares in McGrath by RPAH Holdings Pty Ltd (ACN 676 034 101) (**Bidder**) by way of scheme of arrangement (**Proposed Transaction**).

On 25 March 2024, McGrath announced that it had entered into a scheme implementation deed with Bidder (among others) in connection with the Proposed Transaction (**SID**). Under the terms of the SID, McGrath will be required to prepare and despatch to McGrath shareholders a scheme booklet in connection with the Proposed Transaction (**Scheme Booklet**).

This Presentation contains summary information only in respect of the SID, the Proposed Transaction and McGrath and its related bodies corporate (McGrath Group). If you are a McGrath shareholder, you should read McGrath's announcement dated 25 March 2024, which contains a full copy of the SID. Further, in due course, you should read the Scheme Booklet in full before making any decision to vote on the Proposed Transaction.

This Presentation is not in any way a substitute for the SID or the Scheme Booklet and should not be relied upon as such. This Presentation should also be read in conjunction with the McGrath Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au.

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All dollar values are in Australian dollars (A\$) unless otherwise stated.

Neither McGrath nor any other person warrants or guarantees the future performance of McGrath shares or any return on any investment made in McGrath shares. This Presentation may contain certain 'forward-looking statements'. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, financial position and performance are also forward-looking statements. Any forecasts or other forward looking statements contained in this Presentation are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of McGrath, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward looking statements. Except as required by law or regulation (including the ASX Listing Rules), McGrath undertakes no obligation to update these forward-looking statements. Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

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SCHEME IMPLEMENTATION DEED OVERVIEW

TRANSACTION OVERVIEW

- Global real estate consultancy, Knight Frank, and New Zealand's largest full service privately held real estate agency, Bayleys, have entered into a scheme implementation deed to acquire McGrath via a Scheme of Arrangement (**Scheme**)
- Under the Scheme, McGrath shareholders will have the option to receive \$0.60 cash per McGrath share, or an unlisted scrip alternative, or a combination thereof. The unlisted scrip alternative is shares in an unlisted newly incorporate entity which will indirectly own 100% of McGrath⁽¹⁾
- McGrath shareholders may also be entitled to a permitted dividend prior to the proposed Scheme implementation⁽²⁾

JOHN McGRATH FOUNDER & CEO

- John McGrath intends to elect to receive the unlisted scrip alternative for all his McGrath shares, retaining a 23.3% exposure in McGrath, subject to the below Board Recommendation qualifications⁽³⁾
- John McGrath will continue in his role as CEO & Managing Director, supported by his management team, upon implementation of the Scheme
- Knight Frank and Bayleys expected to jointly own between 65.0% and 76.7% of McGrath post transaction

BOARD RECOMMENDATION

- The Board of McGrath, who in aggregate currently hold or control approximately 48.1% of the issued McGrath shares, unanimously recommends shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is fair and reasonable and in the best interests of McGrath shareholders

CONDITIONS

- McGrath shareholder approval
- Approval by the Court
- The Independent Expert concluding the Scheme is fair and reasonable and in the best interests of McGrath shareholders
- Other customary conditions set out in the ASX Scheme Announcement dated 25 March 2024

TIMING

- McGrath shareholders do not need to take any action at this point in time
- A Scheme Booklet containing information relating to the proposed transaction, reasons for the McGrath Directors' recommendation, an Independent Expert report and details of the Scheme meeting will be sent to McGrath shareholders, currently expected by early May 2024
- Implementation of the Scheme is currently expected to occur before 30 June 2024. If the Scheme is implemented, McGrath will be delisted from the ASX

(1) Refer to ASX Scheme Announcement for further details. The scrip alternative will be subject to a scale back mechanism on a pro rata basis to ensure the total number of shares being issued does not exceed 35% of the total shares on issue.

(2) Refer to ASX Scheme Announcement for further details in relation to the Permitted Dividend and conditions associated with the Permitted Dividend.

(3) Subject to not more than 35% of shareholders electing the unlisted scrip alternative. If more elect than 35%, John McGrath will be scaled back equally with other electing shareholders.

PARTNERS – KNIGHT FRANK AND BAYLEYS

only
McGrath

“We are delighted to have received this offer from a consortium comprising a leading global property firm in Knight Frank, which has a strong residential real estate offering throughout the world, and leading New Zealand full-service real estate agency in Bayleys. Together we share common values and cultures and see the potential partnership with McGrath as a positive development for our industry, and for McGrath agents, team members, franchise partners and customers, who will benefit from the Consortium’s global networks, access to high net worth clients and real estate expertise in support of our vision and growth plans. My role as CEO will continue and, if the Scheme is approved, I look forward to continuing to work with the great team at McGrath but also in taking advantage of the opportunities afforded by international partners Knight Frank and Bayleys”.

McGrath Founder and CEO, John McGrath



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Knight
Frank

- Founded in 1896, Knight Frank is the world’s leading independent real estate consultancy
- Operates across 604 offices in 58 territories with more than 25,000 people globally
- The world’s largest privately owned property consultancy with a distinct advantage of taking a long-term approach to investing and client relationships
- Significant global expertise in residential sales and unparalleled access to global and ultra-high net worth individuals
- For further information, please visit knightfrank.com.au

personal
BAYLEYS

- Bayleys is New Zealand’s largest full-service privately held real estate agency with a presence throughout New Zealand and the South Pacific
- Comprehensive array of property-related services and sector specific expertise which has evolved to meet changing markets and client needs
- Market leader in high-end residential sales and rural and commercial property sales and leasing
- Significant expertise in property management and valuations and real estate franchise development and management
- An associate of Knight Frank in New Zealand since 2018
- For further information, please visit bayleys.co.nz



McGRATH CONTACTS ASSOCIATED WITH THIS PRESENTATION

HOWARD HERMAN
CFO

HOWARDHERMAN@MCGRATH.COM.AU

0413 886 489

TERRI SISSIAN
COMMUNICATIONS DIRECTOR

TERRISSISIAN@MCGRATH.COM.AU

0419 881 414

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