

WITH THE RIGHT PARTNERSHIP,  
AMAZING THINGS HAPPEN



**"It is literally true that you can  
succeed best and quickest by  
helping others to succeed."**  
- Napoleon Hill

Investor & Broker Presentation – March 2017

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# Setting the Scene

- ▶ A business disrupting the real-estate and financial services sectors, via our cloud-based digital platform and processes.
- ▶ We are not a tech business.
- ▶ We have developed technology to enable and efficiently deliver our disruptive model.
- ▶ Our technology combined with our model and our distribution channels is what makes us successful.
- ▶ A good idea is just a good idea - recruitment and the implementation of the idea is king.
- ▶ We started to roll out the model in Feb 2016 and listed on the 28th Dec 2016
- ▶ \$1.1bn mortgage book – vend only \$4m/ EV \$5.8m (.8 times revenue at listing)
- ▶ We operate in two large and fragmented industry sectors that are linked and have annual fees in excess of \$7.5bn - Real Estate and Financial Services



## So what have we Achieved

- ▶ On target for **+30%** growth in revenue year-on-year for FY2017
- ▶ Revenue of \$4.3 million (half year to 31.12.16) – up **57%** on pcp
- ▶ Value of settlements up **60%** in H2 2016 from H1 2016
- ▶ Gross commissions up **105%** in H2 2016 from H1 2016
- ▶ Number of listings up **30%** in H2 2016 from H1 2016
- ▶ Rapidly expanding East Coast operations with Licence Agreement and Option to acquire Top Level Real Estate Pty Ltd
- ▶ Achieving six times the standard industry referral rates

# Who is Ausnet Financial Services

## Who is Ausnet?

- ▶ A **disruptive, integrated financial services** and **real estate** company using property transactions and financing events to review a client's finance and wealth requirements.

## What does Ausnet do?

- ▶ Helps consumers and small to medium sized enterprises (SMEs) make **better financing, property and wealth management decisions**.
- ▶ Get a **better understanding of client** needs and objectives and **provide options** to deliver those objectives in a **hassle free and seamless** manner by our **team of experts**.
- ▶ Our culture **promotes and rewards** our team to deliver a **high quality service** that **benefits the client**. It aligns client goals with that of our team and company.

# The Challenge for the Market

**The Challenge:** The Key to success is Distribution and Cross Selling

**The Question:** How to get closer to the customer?

**The Answer:** Engage, empower and reward the largest referral sources for Finance in Australia – the main referral advice

- ▶ Real Estate Agents; (**The Agency** – Direct Channel)
- ▶ Over **200,000** Accountants, Tax Agents and Financial Planners in Australia. ( via our Referral Partner Program – Indirect Channel)
- ▶ Delivers a **low cost - low risk** agents/referral partner network model with **national reach**.

# The Solution

We combine financial services and real estate into a **single advisory cloud-based digital platform** delivered direct to the client or via referral partners being:

- Real Estate Agents; (The Agency)
- Accountants/Tax Agents and Financial Planners (referral partners)

The platform and processes provide trusted referral partners tools and services to **engage and better assist** their clients when it comes to finance property and wealth management.

What differentiates us – information and product choice is offered at a **time that is relevant** to the end client and **validated via the trusted advisor**.



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**MORE THAN A ONE STOP SHOP. A TRUE PARTNERSHIP**



# Our Goals

- ▶ Deliver shareholders high returns via **increased earnings** from **multiple revenue lines** and **value creation** through the growth of **multiple assets** such as mortgage, risk and general insurance trail books and rent rolls.
- ▶ To capture a slice of **the large and highly fragmented Australian finance and real estate sectors**
  - ▶ Finance fees - \$1.8bn pa
  - ▶ Real-estate fees - \$5.72bn pa
  - ▶ Total Fees - **\$7.52bn pa**
- ▶ To **expand and be regarded as** the most reliable and trusted fully integrated financial services and real estate company in the **Asia Pacific**
- ▶ **To become an attractive takeover target**



# THE \_AGENCY



# THE AGENCY

## Our Real Estate model is different

- ▶ Our Agents are our clients
- ▶ We recognise them as the CEOs of their business
- ▶ Our job is to help them grow their business and focus on what they do best and is income producing - Helping the best do better
- ▶ We provide for greater rewards - higher commissions, alternative income streams and the ability to create assets
- ▶ We handle the compliance, accounts and administration non income producing activities
- ▶ We assist in marketing and database management

Our view is that in the end brands and technology doesn't sell homes on there own people do

When it comes to most people's largest asset they want to deal with a person they can trust



# What differentiates us from our competitors in Real Estate?

## Traditional real estate businesses

- ▶ Corporatised, moving away from franchise model
  - ▶ Removed unnecessary layers
  - ▶ Greater flexibility
- ▶ Our Agents are our clients
- ▶ Greater rewards for all participants
- ▶ Technology provides greater efficiencies

## Real estate / fin tech competition

- ▶ Only a tech provider
  - ▶ Essentially a Tech Service only
- ▶ No Distribution channels
- ▶ Require large marketing budgets
- ▶ We are recruiting the best Agents to deliver the results with set minimum sales track records

Not reliant on just the real estate market  
Multiple revenue verticals and assets

## East Coast expansion

- ▶ Rapidly expanding east coast operations through a Licence Agreement with and an Option to acquire Top Level Real Estate Pty Ltd.
- ▶ Top Level is a fast growing eastern seaboard real estate business with 17 highly experienced agents, including:
  - ▶ Matt Lahood (CEO) – Commences 3 April 2017
  - ▶ Steven Chen (Director of Projects) – Commenced 15 February 2017
  - ▶ Maria Carlino (Director of Property Management)
  - ▶ Thomas McGlynn (Director of Sales and Chief Auctioneer)
  - ▶ Ben Collier (Property Partner)
  - ▶ Shad Hassen (Property Partner)
- ▶ Top Level has rights to use The Agency brand and intellectual property on the East Coast.
- ▶ Ausnet will retain an Option to acquire Top Level within the next 12 months.



# Achievements To Date

- ▶ In the last 12 months, we invested and created a **disruptive and integrated** business that **efficiently delivers a large range of relevant services** to clients.

Since announcing the acquisition in late January 2017, The Agency on East Coast has:

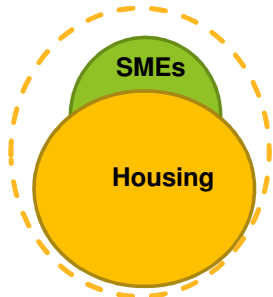
- ▶ Sold **18** properties valued at **\$54.3 million**
- ▶ **26** Listings currently on the market totalling **\$127.5 million**
- ▶ **66** agents (including contracted but not started)

## Group Results 8 months to Feb 17

- ▶ Sold **311** properties valued at **\$260.6 million (approx. \$5.2m in commissions)**
- ▶ **377** Listings currently on the market totalling **\$292.7 million**
- ▶ **52 Sales Agents**

## Our Business strategy

**1** *We target property investors & SMEs...*



...of which 50% use  
brokers for financing  
requirements – total  
potential \$1.8b  
fees pa

**2 To drive clients direct and via referral partners to use our platform and aggregated businesses/services**

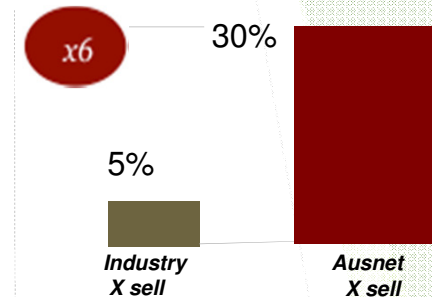


*Empower the referral partners – agents, accountants and financial planners to validate client decisions*

*Our digital cloud-based platform aggregates many products & providers. It includes “sticky” tools, marketing and rewards*

*Our platform  
manages and  
distributes clients to  
experts in our  
business units*

### 3 ... to cross-sell and better serve clients... building an upfront and recurring trail fees business model



*Ausnet is acknowledged as the most  
productive broker in Australia –  
leveraging client trust, providing  
choice & convenience*

## Current

- Over 10,000 clients
- \$1.1b Loans under management
- \$6.2m revenues pa

- 30+ own brokers/referral partners, 200+ products & services from Banks, Insurance and wealth providers

## Future

- Increase clients, loans and assets under management

- WA focused integrated Financial and wealth management services

- National focus and reach with future fee for service and/or subscription to increase revenues, assets and profit

# Short Term Objectives – 30 June 2018

- ▶ As announced in transaction target of \$7m EBITDA
- ▶ Growth of sales agents to 150 plus
- ▶ Expansion of The Agency on East Coast
- ▶ A rent roll of over 4000 properties
- ▶ Acquisitions and Mergers
- ▶ Value Partner Program launch in WA
- ▶ Strategic partnerships
- ▶ Growth of mortgage book
- ▶ National roll out of Value Partner Program



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# Our Board – All with Public Company Experience



## ► **Paul Niardone – Managing Director**

Previously Executive Director and founder of Professional Public Relations (WA), the largest PR and communications firm in the State until he sold the business to WPP. Experience in marketing and strategic planning for clients in both Government and the private sector and over 10 years experience with public companies.



## ► **Philip Re – Chairman**

Chartered Accountant, Chartered Secretary and a Member of the Institute of Company Directors. In recent years he has been involved as a Director and Company Secretary for a number of public companies involving transactions in mining exploration and production and the renewable energy industry.



## ► **Adam Davey – Non Executive Director**

Adam is Director, Private Clients and Institutional at Patersons Securities. His expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisitions, ASX listings, asset sales and purchases, transaction due diligence and director duties.



## ► **Ross Cotton – Non Executive Director**

Ross currently has a corporate consulting business, Regency Corporate, which specialises in re-capitalisations, registered training organisations, early stage venture capital and asset acquisition and divestments. As a corporate adviser, has been working with both public and private companies on strategy, financing, acquisitions and corporate re-structuring across the technology, industrial and resource sectors for over five years.



## ► **John Kolenda – Non Executive Director**

John is the co-founder and Managing Director of Finsure Group, one of Australia's fastest growing retail finance brokerages, writing over \$1 Billion in new mortgages every month across 850 brokers. He formed the Loan Market Group with Ray White and before that worked as the General Manager of Sales & Distribution of Aussie Home Loans, where he was responsible for the sales performance of over 700 mortgage advisors.



# Corporate snapshot

**ASX code:** AU1

**Market capitalisation:** \$15 million\* (fully diluted \$22.4m)

## Top shareholders

Finsure Holdings	7.33%
SEMC 2	3.63%
Coast Equity	2.73%
Ruth Paneth + Jacqueline Bierenkrant	2.33%
Taycol Nominees	2.14%

69% of stock held by top 20

\* As at 16.3.17

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