

ASX MARKET RELEASE

Company Update

“The Agency” Top WA Office in July and Expands into the Gold Coast.

Ausnet Financial Services Limited (ASX: AU1) (“Ausnet” or “the Company”) continues to achieve significant growth of its wholly owned “The Agency” real estate business, with sales results in Western Australia amongst the industry’s best, agent recruitment targets being achieved and further growth into the eastern states of Australia.

Strong Western Australian sales growth

For the month of July, based on independent industry numbers produced by industry body Real Estate Industry of Western Australia (REIWA), the Agency was recognised as the Top Office by Value of Properties Sold and Top Office by Number of Properties Sold for Perth metro sales.

1573 properties were sold in Perth during July, with the Agency selling 54 properties, with a combined value of \$ 28,652,500.

For the June quarter, the Agency sold 129 properties from a total of 5497, giving it a market share of 2.3% in a highly fragmented market.

Commenting on the results, Ausnet Managing Director, Mr Paul Niardone, said, “This result is outstanding, particularly as this is only the second full year of operation for the Agency.”

“The Agency has been consistently in the top five offices for number of sales and value of sales for the last six months and to hit number 1 in July and securing over 2% Perth home sales market share shows that our strategy of recruiting quality sales agents is correct as we are punching way above our larger competitors.”

“Our model continues to deliver strong growth in a shrinking and difficult WA market. Since the start of The Agency the WA market has declined approximately 9% in terms of the average price of a home in Perth and the number of sales has decreased by approximately

12% making Perth the worst property market in the Country. However, we continue to rapidly grow. This gives us great confidence that expanding into any market our model will thrive” added Mr Niardone.

The Agency up to 50 Sales Agents in WA

Since launching the Agency brand in Western Australia, Ausnet had set a target of securing +50 high quality and respected Sales Agents by June 30 2017.

The Agency has attracted, and it believes will continue to attract, significant interest from Sales Agents wishing to join its business.

As at June 2017 the Agency has attracted 50 Sales Agents to its business and believes it will continue to add approx. 25 agents to its Western Australian business each year.

Securing these agents, who come to the business with a strong sales capability and network in the location in which they are based, are central to the successful expansion of the Agency model.

Expansion of the Agency into QLD

Ausnet is committed to expanding The Agency in a strategic manner into key real estate markets outside of Western Australia.

As such, the Company wishes to advise that it has signed an office lease in Surf Parade, Broad Beach Queensland and expects to open its Gold Coast office next month.

Ausnet believes the Gold Coast market to be highly prospective and capable of generating significant sales (numbers and volume) to The Agency.

The entry into the Gold Coast market will complement the operations of The Agency in Sydney and Melbourne, with those offices operating under a License Agreement between the Company’s wholly-owned subsidiary, Ausnet Real Estate Services Pty Ltd (**Ausnet RE**), and Top Level Real Estate Pty Ltd (**Top Level**), pursuant to which Top Level may use “The Agency” brand and intellectual property on the east coast of Australia. As announced on 30 January 2017, Ausnet RE has also entered into an Option to Purchase Agreement with Top Level which grants the Company (through Ausnet RE) the option to acquire all of the issued capital of Top Level by 30 January 2018.

Growth figures and company progress

The Company is currently finalising its Annual Report for 2017 and expects to release this, together with an update on growth figures and a detailed company progress update in the coming weeks.

About Ausnet

Ausnet consists of a group of successful businesses which deliver finance broking, real estate services, settlement services, property management (2017), project marketing, insurance and financial planning initially to the Western Australian market with an aim to be rolled out nationally.

This model has been created to build the core asset being a loan book currently at ~\$1.1 billion by cross referring clients between business units. The largest growing referral area has been built on a highly successful and disruptive real estate agency model named “The Agency”. The agents have been referring ~60% of all sales for financing broking.

Ausnet is aiming to recruit ~100 sales representatives to “The Agency” in Western Australia that will eventually deliver over 1000 property transactions per year with the aim of converting into cross sales for mortgages, settlements and insurance. Each sales representative that joins Ausnet not only add sales activities but also on average bring in a database of ~2000 clients. Ausnet’s target is to have ~600 sales representatives nationally.

The Company is also backed by Finsure Group, one of Australia's fastest growing retail finance brokerages writing over \$1 billion in new mortgages every month across 850 brokers.

Corporate website: www.ausnetrealestateservices.com.au

The Agency website: www.theagency.com.au

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