

ASX MARKET RELEASE

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Ausnet makes indirect investment in ServTech Holdings – to gain direct exposure to Sell Lease Property business and assets

Key points

- **To invest as part of consortium in ServTech Global Holdings Limited (ASX: SVT), which owns a real estate agency (Sell Lease Property Pty Ltd), a conveyancing business (Complete Settlements) and a mortgage broking business (Value Finance)**
- **ServTech also owns a highly scalable unique customized Software as a Service (SaaS) workflow management platform**
- **Ausnet will conduct review of business plan and technology associated with Sell Lease Property Pty Ltd, to determine strategic synergies with Ausnet and its associated companies**
- **Sell Lease Property has 220 real estate sales agents and complimentary businesses in terms of a settlement agency, a mortgage broking business and property management**
- **Servnote Holding Pty Ltd (which the consortium has invested in) has agreed to subscribe for up to \$1 million in a convertible note in ServTech, with Ausnet making a minor investment in Servnote**

Ausnet Financial Services Limited (ASX: AU1) (“Ausnet” or “the Company”) is pleased to advise that it has made a minor indirect investment, as part of a consortium which has loaned funds to Servnote Holding Pty Ltd (‘ServNote’), in Australian back office technology and services company, ServTech Global Holdings Limited (ASX: SVT) (‘ServTech’).

A consortium of investors has entered into convertible loan agreements with ServNote, which has agreed to subscribe for a convertible note in ServTech with an initial investment of \$500,000 using the funds loaned by the consortium. ServNote has the right (but no obligation) to increase the investment in ServTech which, if subscribed for, would take the total amount subscribed for by ServNote up to \$1 million.

In addition to loaning funds to ServNote for the purpose of the investment in ServTech, Ausnet will conduct a review of the ServTech business so as to identify strategic synergies with Ausnet and its associated companies.

ServTech is the holding company of several wholly-owned subsidiary companies, including a real estate agency (Sell Lease Property Pty Ltd), a conveyancing business (Complete Settlements) and a mortgage broking business (Value Finance). It also owns a highly scalable unique customised Software as a Service (SaaS) workflow management platform, which it has implemented across its subsidiaries and has either implemented (or contracted to implement) into other significant Australian businesses.

Ausnet believes significant efficiencies can be created between its own technology backed real estate and associated financial services businesses and Sell Lease Property Pty Ltd, which in addition to proprietary technology platform also has 220 real estate agents nationally and a small property rent roll.

Commenting on the investment, via the convertible loan agreement with ServNote, into ServTech, Ausnet Managing Director Paul Niardone said, “We believe significant synergies potentially exist between Ausnet, and its subsidiaries, and Sell Lease Property Pty Ltd and we are looking forward to exploring those further over the coming months.”

“We believe through our involvement significant enhancements to the Sell Lease Property Pty Ltd business can be found, which at the same time will create immense benefit to Ausnet.”

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 adds 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

Investors

Ausnet Financial Services Ltd

Paul Niardone

T: +61 08 9204 7955

paul@ausnetrealestate.com.au