



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

ASX MARKET RELEASE

14 December 2017

The Agency Group Australia to acquire Sell Lease Property and undertakes capital raise creating the most Disruptive, Fastest Growing Real Estate Group

The Agency Group Australia Limited (formerly named Ausnet Financial Services Limited) (ASX: AU1) expands national footprint with entry into an agreement to acquire three wholly-owned subsidiaries of ServTech Global Holdings Ltd (ASX: SVT).

Key points

- The Agency Group Australia Limited has entered into an agreement to acquire a national real estate agency, conveyancing and mortgage brokerage businesses from ServTech Global Holdings Ltd by way of share sale agreement.
- The transaction includes the acquisition of:
 - Sell Lease Property Pty Ltd (real estate agency) - approx. 210 Sales agents nationally, \$8.1 million revenue (audited FY2017);
 - Complete Settlements Pty Ltd (conveyancing business) - \$445,000 revenue (audited FY2017);
 - Value Finance Pty Ltd (mortgage broking business) - \$100 million loan book, with \$1 million revenue (audited FY2017).
- Targeting 15% margin across acquired businesses, with rationalisation and infrastructure/operational efficiency savings already identified.
- Brings together Australia's fastest growing real estate agencies and links the two largest and leading sales offices in Western Australia in the past two years for listings sold.
- Businesses will run as independent brands in the market.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX: AU1



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

- **Post completion of this transaction, The Agency Group Australia Limited will:**
 - **have approx. 280 real estate agents nationally;**
 - **generate approx. 120 monthly sales worth an estimated \$80 million per month.**
- **Doubles size of The Agency Group Australia Limited's settlement business – places The Agency Group Australia Limited as one of WA's top settlement agencies.**
- **The Agency Group Australia Limited to benefit from ServTech's back-office support function and platform rationalisation, which may reduce overall costs to The Agency Group Australia Limited.**
- **IT development and maintenance business to be retained by ServTech - only real estate revenue and associated businesses to be acquired by The Agency by virtue of the acquisition of Sell Lease Property Pty Ltd, Complete Settlements Pty Ltd and Value Finance Pty Ltd.**
- **The Agency Group Australia Limited will pay up to \$950,000 for the acquisition, subject to due diligence.**
- **Raising of up to \$3,000,000 via the issue of shares at \$0.02 per share (and a 1 for 1 free-attaching unlisted option) to be conducted by way of a prospectus offer and the issue of a minimum of 96 million ordinary shares at \$0.02 per share (and a 1 for 1 free-attaching unlisted option) to raise \$1.92 million.**

Two of the most disruptive and fastest growing real estate companies have come together with The Agency Group Australia Limited (ASX:AU1) ("The Agency" or "the Company"), formerly Ausnet Financial Services Limited, entering into an agreement to acquire all of the issued capital of Sell Lease Property Pty Ltd (real estate agency); Complete Settlements Pty Ltd (conveyancing business); and Value Finance Pty Ltd (mortgage broking business) from ServTech Global Holdings Limited (ASX:SVT) ("ServTech") subject to satisfaction of the conditions precedent set out in Annexure A of this announcement .

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX:AU1



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

The Company believes the acquisition of these businesses will add significant revenue to its existing infrastructure and operations, with rationalisation and infrastructure/operational efficiency savings already identified across the businesses to be acquired.

Sell Lease Property Ltd will remain as a standalone business, while Complete Settlements Pty Ltd and Value Finance Pty Ltd will merge with the existing conveyancing and mortgage broking businesses of The Company.

The Company believes the synergistic benefits of the acquired assets to the combined group includes:

- **Sell Lease Property:** With approx. 210 real estate agents nationally, acquisition will grow the number of The Company's real estate agents to 380 nationally within 12 months of listing (this includes The Agency real estate agents in Top Level Pty Ltd in Sydney). The Company is targeting over 600 sales representatives which would place it in the top five real estate groups nationally in three years.
- **Complete Settlements:** With approx. 50 deals a month, the acquisition effectively doubles the size of The Agency's settlement business and places the Company as one of the top settlement agencies in Western Australia.
- **Value Finance:** Acquisition of the mortgage business provides The Company with a loan book over \$100m, which would take the combined groups to approx. \$1.2b.

The Company will also benefit considerably from ServTech's leading technology platform, with ServTech to provide back-office support to The Company including virtual services to support the Sell Lease business. The Company will pay a \$25,000,000 per month fee to ServTech to maintain administration services of the acquired Servtech companies.

ServTech will retain its IT development and maintenance business.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX:AU1



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Commenting on the acquisition, The Company's Managing Director Paul Niardone said:

"This strategic acquisition is expected to enhance our revenue and profits, while also increasing the referrals to our mortgage and settlement service."

"The Agency will also have a strong national footprint and will have two independent brands in the market place. This is common in other industries most notably Qantas and Jetstar, with two distinct brands targeting distinct markets but providing great customer service."

"There are also significant efficiencies since The Agency and ServTech have similar models of referrals into auxiliary services including settlements, property managements and mortgage broking. Our business will also benefit from ServTech's leading technology platform through its back-office support function."

"The Agency will now review and work on the business model to make sure the acquisition is cash flow positive. To us that is the bottom line, providing value to the company and shareholders."

Consideration to be paid to ServTech consists of cash payments of up to \$950,000 (with \$250,000 to be paid at settlement of the acquisition with the balance of \$700,000 to be paid in seven monthly cash payments of \$100,000 per month from settlement), subject to completion of due diligence by the Company.

Settlement of the acquisition is expected to occur on 1 February 2018 subject to satisfaction of certain conditions (outlined in Annexure A) including completion of financial, legal and technical due diligence by The Company of each of Sell Lease Property Pty Ltd, Value Finance Pty Ltd and Complete Settlements Pty Ltd (**SVT Companies**).

If during due diligence, The Agency identifies any liabilities or obligations of SVT Companies which it doesn't wish to acquire, ServTech will seek to remove the liability and/or obligation from the relevant SVT Company prior to settlement.

Earlier this month, The Agency announced an initial indirect investment in ServTech as part of a consortium which loaned funds to Servnote Holding Pty Ltd ('ServNote').

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Capital Raising

The Agency Group Australia Limited will undertake a capital raising by way of a prospectus to be lodged with the Australian Securities and Investments Commission (“ASIC”) today. The capital raising consists of the issue of up to 150,000,000 shares at an issue price of \$0.02 per share and a 1-for-1 free attaching unlisted option exercisable at \$0.02 and expiring on that date which is 2 years from the date of issue of the options, to raise up to \$3 million.

Patersons Securities Limited is acting as Lead Manager to the offer and has advised that it has received expressions of interest for the minimum subscription of \$1.92 million.

Funds raised will be directed towards the acquisition of Sell Lease Property Pty Ltd, Complete Settlements Pty Ltd and Value Finance Pty Ltd from ServTech Global Holdings Ltd, expenses of the offer and working capital.

The Company anticipates completing the issue of the first tranche of 96,000,000 shares and 96,000,000 free-attaching options on Tuesday, 19th December 2017. The balance of the shares and options the subject of the capital raising will be issued on or about 31 January 2018, subject to receipt of shareholder approval.

The prospectus to be lodged with ASIC today also provides for the issue of a total of 10,000,000 options to PAC Partners Pty Ltd (in accordance with shareholder approvals obtained at the Company’s Annual General Meeting in November), and the issue of 20,000,000 options as part of the consideration payable to Patersons Securities Limited for its role as Lead Manager. The issue of these options is subject to shareholder approval.

Change of Name

At the Company’s Annual General Meeting held on 28 November 2017, shareholders approved the change of name from Ausnet Financial Services Limited to The Agency Group Australia Limited.

The Company is now trading as The Agency Group Australia Limited after receiving the Certificate of Registration on Change of Name from ASIC on 12 December 2017.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

About the SVT Companies

Sell Lease Property Pty Ltd (SLP)

Established in 2011, SLP is an innovative, best practice real estate agency which has expanded its property consultant base to over 200 nationally. SLP was the number one agency in Western Australia by Listings Sold at the 2015/2016 REIWA Awards and awarded eighth place on BRW's 2016 Fast 1000 Companies in Australia.

Complete Settlements Pty Ltd

Complete Settlements is a Perth settlement agency providing a full range of professional conveyancing from title searches to property settlements.

Value Finance Pty Ltd

Value Finance's primary focus is providing innovative, transparent and efficient home loan and finance solutions based on clients unique requirements.

Value Finance assist with a range of loans from First Homebuyer loans, through to investment loans, development loans, loans for Visa Holders, car loans and refinancing.

The company has recently won Best New Office in WA at The Adviser Better Business Awards 2017 and State Finalist for the 2017 Mortgage & Finance Association of Australia (MFAA) Excellence Awards.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX:AU1



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

About The Agency

The Agency 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. The Agency 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 The Agency not only adds sales activities but also on average bring in a database of ~2000 clients. The Agency’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 with over 1,200 brokers settling over \$1 billion a month. Corporate website:

www.ausnetrealestateservices.com.au

Investors

The Agency Australia Ltd

Paul Niardone

T: +61 08 9204 7955

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Media

Chapter One Advisors

David Tasker / Colin Jacoby

T: +61 433 112 936 / +61 439 980 359

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Annexure A

Conditions Precedent

(a) Settlement of the Acquisition is conditional upon the satisfaction (or waiver by The Agency) of the following conditions precedent:

- (i) completion of financial, legal and technical due diligence by The Agency on the SVT Companies' businesses, assets and operations, to the absolute satisfaction of The Agency on or before 1 February 2018 (or such later date as agreed in writing between The Agency and ServTech);
- (ii) ServTech procuring that the SVT Companies obtain from each third party to contracts to which the SVT Companies are party, all necessary consents and approvals (on terms and conditions in all respects reasonably satisfactory to The Agency) required to implement the Acquisition;
- (iii) if required, removal of any liabilities or obligations of the SVT Companies identified by The Agency during its due diligence investigations which The Agency does not wish to acquire by virtue of the acquisition of the SVT Companies;
- (iv) the receipt of any necessary shareholder approvals for either of ServTech or The Agency; and
- (v) If requested by The Agency, amendment of the employment agreements currently in place between any of the SVT Companies and their agents to the satisfaction of The Agency (acting reasonably).

(b) If the conditions precedent set out above are not satisfied (or waived by The Agency) on or before 5.00pm (WST) on that date which is 120 days after execution of the Agreement by the last of the parties (or such later date the that the parties agree in writing), the Agreement will be at an end and the parties will be released from their obligations under the Agreement. The Agency and ServTech have agreed to use their best efforts to ensure that the conditions precedent are satisfied.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX:AU1



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Annexure B

Settlement

Subject to satisfaction (or waiver by The Agency) of the conditions precedent set out in the agreement, settlement of the acquisition of the SVT Companies ("Settlement") will occur on 1 February 2018 (or such other date as agreed in writing between The Agency and ServTech).

At Settlement:

(a) The Agency shall:

- (i) pay the upfront consideration of \$250,000 to ServTech; and
- (ii) deliver an executed counterpart of the Back-Office Support Agreement to be entered into by the parties (effective from Settlement) ServTech.

(b) ServTech must deliver or cause to be delivered to The Agency:

- (i) share certificates in respect of the shares of the SVT Companies;
- (ii) separate instruments of transfer in registrable form for the shares of the SVT Companies in favour of The Agency (as transferee) which have been duly executed by ServTech in relation to the shares of the SVT Companies (as transferor);
- (iii) the written resignations of the directors and company secretaries of the SVT Companies with effect from Settlement confirming that they have no claim for loss of office or otherwise against ServTech;
- (iv) the corporate records for the SVT Companies; and
- (v) an executed counterpart of the Back-Office Support Agreement.

(c) ServTech must also place The Agency in effective possession and control of the SVT Companies.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232