

ASX MARKET RELEASE

31 October 2017

Ausnet First Quarter Update - Continuing strong growth

Ausnet Financial Services Limited (ASX: AU1) (“Ausnet” or “the Company”) continues the strong growth of its wholly owned “The Agency” real estate business, with its Western Australian business leading the rankings for three consecutive months.

Key highlights of the of the quarterly report are:

- Total operating cash inflows for the quarter \$3.55m
- Operational cashflow almost break even with a \$31,000 outflow for the quarter.
- \$174k, was invested in the new head office which now allows us scope to expand and provides a better location for access by clients and staff.

The Agency Tops WA rankings for the quarter

- The Agency achieves REIWA Top Office ranking in WA for month of July, August and September for volume.
- The Agency sold
 - 145 properties for the quarter
 - Worth \$86.5 million
 - We have achieved 41% of last year’s revenue in first quarter targeting triple digit grow

In the first quarter The Agency achieved:

	July-Sept 2016	July - Sept 2017	% Increase
Number of sales	61	145	137%
Value of sales	\$40.3m	\$86.5m	115%
Listings	100	204	104%
Gross Commissions	\$830,160	\$1,762,403	112%

Commenting on the results, Ausnet Managing Director, Mr Paul Niardone, said, “The Company keeps delivering impressive growth despite WA market conditions and our aim is to deliver triple digit growth for the year”.

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

Investors

Ausnet Financial Services Ltd

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Ausnet Financial Services Limited

ABN

52 118 913 232

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,551	3,551
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,231)	(1,231)
(c) advertising and marketing	(65)	(65)
(d) leased assets	(40)	(40)
(e) staff costs	(1,964)	(1,964)
(f) administration and corporate costs	(284)	(284)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(31)	(31)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(174)	(174)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Cash acquired on acquisition of businesses	-	-
2.6 Net cash from / (used in) investing activities	(174)	(174)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,203	2,203
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(31)	(31)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(174)	(174)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,998	1,998

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,623	2,203
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Bank Guarantees)	375	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,998	2,203

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
123
-

Director salary \$86k
Director fees \$37k

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

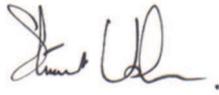
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(1,527)
9.3 Advertising and marketing	-
9.4 Leased assets	(2)
9.5 Staff costs	(1,314)
9.6 Administration and corporate costs	(250)
9.7 Other (Bank Guarantee and Rental deposit)	-
9.8 Total estimated cash outflows	(3,093)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Nil	Nil
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 31 October 2017

Print name: Stuart Usher

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.