



29 November 2016

ASX ANNOUNCEMENT

Ausnet Acquisition Prospectus closes heavily oversubscribed, raises A\$5.8m – Conditional approval to re-list received

HIGHLIGHTS

- Re-listing prospectus closed, raising maximum A\$5.8 million in heavily oversubscribed offer.
- A\$5.6 million EV only takes into account ~A\$1.1 billion loan book value, does not place value on proven new model and growth potential.
- Proceeds raised will fund:
 - Business development / National Roll-out;
 - Platform development; and
 - General operations of the Company.
- Conditional approval to re-list from ASX received, conditions expected to be met in coming weeks.
- Ausnet backed by Australia's fastest growing retail finance brokerages, Finsure Group.

Perth-based real estate and financial services group of companies, Ausnet Real Estate and Financial Services Pty Ltd (“Ausnet” or “the Company”, ASX:AU1), is another step closer to listing on the Australian Securities Exchange (“ASX”) after Namibian Copper Limited (“Namibian” or “NCO”) raised A\$5.8 million in a heavily oversubscribed offer.

Ausnet is currently in the process of being acquired via reverse takeover by NCO, an ASX-listed gold, silver and base metals exploration company previously focusing on Namibia, Africa. (Refer to ASX announcement dated 14 December 2015 for more information on the transaction.)

Namibian issued the prospectus so as to re-comply with Chapters 1 and 2 of the ASX Listing Rules through the offer of 190 million shares at 2c issue price to raise a minimum subscription of A\$3.8 million. Oversubscriptions of a further 100 million shares to raise an additional A\$2 million were also accepted.

The offer closed on 27 October 2016 with 290 million shares, the maximum number of new securities to be issued under the offer, acquired by investors and raising the maximum A\$5.8 million before costs.

Once acquired, proceeds raised from the offer will be used to advance the national roll-out of the Ausnet businesses, platform development and for working capital purposes.

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Commenting on the oversubscribed raising, Ausnet CEO Paul Niardone said, “we are very pleased with the strong support from investors as it highlights the significant interest in Ausnet and its potential in Australia’s real estate and financial services sector.

“We are also encouraged by the fact that Finsure endorses the company’s strategy by becoming a corner stone investor and John Kolenda joining the board.”

Mr Niardone said a key reason for the heavily oversubscribed take-up of the offer was the enterprise value (EV) of \$5.6 million only takes into account the ~\$1.1 billion loan book and not the new real estate business model called “The Agency” or the other business units on the referral platform.

“Our valuation was asset backed, no premium on hype. Unlike our peers, Ausnet has built a proven concept over the past 12 months which has delivered record revenue of A\$6.5 million in FY2016, up 37 per cent on the previous year,” he added.

“We have significant growth opportunities.

“This highlights that we have and will continue to get runs on the board as we move to grow nationally.

“I look forward to further update the market as we complete the final stages of the transaction with reinstatement on the ASX expected shortly,” Mr Niardone concluded.

NCO has received conditional approval from the Australian Securities Exchange (ASX) for the company’s ordinary shares to be reinstated to official quotation on ASX.

Namibian is now progressing with the requirements to complete and comply with the ASX conditions as soon as possible.

The offer was underwritten by Patersons Securities Limited and Transocean Securities Pty Ltd up to the minimum subscription of A\$3.8m.

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 not only deliver profit but also build the core asset being a loan book currently at ~\$1.1 billion as well as other underlining assets such as a rent roll, risk insurance book and a general insurance book 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” which currently has more than 30 agents.

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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.

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