



ASX Announcement

15 September 2017

SERVTECH SELLS RENT ROLL BUSINESS FOR ~\$1.5 MILLION

- **Property management rent roll sold for circa \$1.5 million**
- **Sale frees up capital to facilitate continued growth**
- **Provides for a significant reduction in operating costs**
- **Cash balance enhanced from sale**

Australian back office technology and services company, ServTech Global Holdings Ltd (ASX: SVT) (**ServTech or Company**), is pleased to announce the sale of its property management rent roll business for approximately \$1.5 million.

The property rent roll business has been conducted through Capitol Asset Management Pty Ltd which commenced operations in early 2015 (**Business**). It is being sold as two parcels with part of the Business being acquired by Housemart Real Estate Pty Ltd and the remainder by Summit Development Corporation Pty Ltd.

ServTech Managing Director/CEO, Brett Quinn commented, *“The sale of our rent roll business is part of our corporate strategy; realising value we’ve created in one part of our business in order to fuel growth in other parts of our business. We are positioning our brand and our business to develop a more geographically diverse revenue base across multiple industries and products. This sale will free up capital to facilitate continued growth in our business.”*

ServTech will be entitled to receive 80% of the relevant purchase price on or before 1 October 2017 (**Settlement Date**) with 20% of the purchase price to be held over to account for non-retained properties during the sale transition process. The final adjustment date will occur six months after the Settlement Date.

The sale of the rent roll business will generate a significant reduction in operating costs enabling the Company to continue its focus on building profitable margins through the development and application of customized back-office transaction technology and services.



SERVTECH GLOBAL

EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

The Company is expected to net approximately \$750,000 from the sale of the Business after repayment of the finance facility that had been entered into to fund the initial rent roll acquisition and payment of referral and management fees.

Mr Quinn added, *"We are a growth business. We are growing our revenue, we are growing our product range, we are growing our industry reach and we are growing our market share and the overall size of our markets. We are primarily focused on increasing our profit margins through the deployment of back-office transaction technology, so the sale of the rent roll business is a real positive for us, improving our margins and facilitating greater alignment to our core business."*

ENDS

About ServTech Global

ServTech Global is a technology and service business that revolutionises the way businesses manage their back office. It does this through a unique customised Software as a Service (SaaS) workflow management platform. 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).

ServTech's key revenue driver to date is Sell Lease Property which has utilised ServTech's SaaS platform (the 'Angel' platform) to improve operating efficiencies, minimise fixed overheads and increase profit margins, becoming a disruptive player in the Australian real estate sector. With operations in four states, Sell Lease Property has grown to have more than 200 property consultants nationally since its launch in 2012. Over the financial year periods 2015/2016 Sell Lease Property achieved revenue growth of 370%.

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