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Acquisition of The SMSF Expert Pty Limited

The Directors of Easton Investments Limited (**Easton** or **the Company**) advise that the Company has executed agreements to acquire all of the issued shares in The SMSF Expert Pty Limited (SMSF Expert) a company providing dealer services to accountants across Australia.

The SMSF Expert holds a Limited Australian Financial Services licence and authorizes accountants to provide SMSF advice services to their clients. Services are provided on a subscription basis including compliance, training, technical support and para planning.

Under the agreement, the Company will acquire all of the issued capital in the SMSF Expert and completion is expected to take place on October 2.

The consideration will include an upfront cash payment of \$329,000, followed by a further deferred cash payment 12 months later, and subject to the achievement of a minimum revenue level.

The managing director of the SMSF Expert, Mr Peter Johnson, will continue with the company on a consulting basis.

The Managing Director of Easton, Mr. Greg Hayes, said that “the SMSF Expert transaction, while relatively small, is an excellent strategic fit.”

“The current subscription revenue run rate of the business is approximately \$350,000. Services provided by the SMSF Expert are entirely consistent with services currently provided by Merit Wealth, a wholly owned subsidiary of Easton. As a result an attractive contribution to earnings is anticipated as we will immediately integrate the back offices.”

The addition of the SMSF Expert, which currently provides dealer services to in excess of 80 accountants strengthens and consolidates Easton’s position as the 2nd largest provider of limited authorisations to the accountant market in Australia.

Mr. Hayes said, “We regard the SMSF Expert as a highly complementary business to our strategy of providing support services to a converging accounting and wealth channel. Recent developments in the financial advice sector together with industry response to the new education standards introduced by FASEA from 1 January 2019, suggest a material contraction in the number of advisers



continuing in the sector. We see the accounting profession as a natural participant in providing licensed advice to their SMSF clients.”

“The transaction supports further investment in service delivery and efficiency as we strive to become the market leader and provider of choice to this important, emerging market.”

Greg Hayes

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