

Via ASX Online**ASX ANNOUNCEMENT – 23 January 2020**ASX Market Announcements Office
ASX Limited**ASX Code: EAS****Acquisition of TaxBanter**

The Directors of Easton Investments Limited (**Easton** or **the Company**) advise that its wholly owned subsidiary company Knowledge Shop Pty Ltd (**Knowledge Shop**) has executed agreements to acquire a controlling interest in TaxBanter Pty Ltd (**TaxBanter** or **the business**) with effect from 23 January 2020.

TaxBanter is a leading national provider of in house training to the accounting profession. The company is based in Melbourne but has personnel in Victoria, NSW, Queensland and Western Australia, reflecting its national presence.

The current managing director of TaxBanter, Neil Jones will continue to lead the business, providing the high level of training service on which TaxBanter has built its reputation.

Under the agreement, Knowledge Shop will:

- Acquire 60% of the capital of TaxBanter Pty Ltd for a cash consideration of \$4.28 million;
- Enter into a Put Call Option to acquire the remaining 40% equity in the company, in 2 years time;
- Provide an earn out incentive, not exceeding \$500,000, calculated at a progressive rate linked to business growth in excess of 6% per annum over the next 2 years; and
- enter into an employment agreement with Neil Jones for an initial term of 2 years.

It is anticipated that TaxBanter will achieve a full year normalised EBITA in FY 2020 in excess of \$1.7 million

The Managing Director of Easton, Greg Hayes, said that the TaxBanter transaction is an excellent strategic investment for Knowledge Shop.

“We regard TaxBanter as a highly complementary business to Knowledge Shop and it will accelerate our continuing growth in the professional training market. With this acquisition, annual training revenues for Knowledge Shop will exceed \$10 million ”

TaxBanter has a pre-eminent reputation in the accounting profession for the provision of inhouse tax training. They have a highly experienced technical and presentation team, all of whom will be continuing with the



business. The business brings with it an expanded training library. Combined with the existing Knowledge Shop training business customers will be able to select from a comprehensive range of face to face and on line programs.

“The addition of TaxBanter to Knowledge Shop increases the depth and spread of our technical resources, and will further enhance the quality and delivery of programs being offered to the accounting profession and financial services market.”

It is anticipated that the combined businesses will deliver continuing growth as they benefit from the wider market reach and the ability to provide multiple training formats to the expanded customer base.

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