

**Via ASX Online**

**ASX ANNOUNCEMENT – 24 December 2020**

ASX Market Announcements Office  
ASX Limited

**ASX Code: EAS**

**Update on Divestment of Document Businesses and Other Matters**

Easton Investments Limited (**Easton** or **the Company**) provides the following update on various matters, including the divestment of its equity interests in its 2 document businesses, Law Central Co. Pty Limited (**Law Central**) and Panthercorp CST Pty Limited (**Panthercorp**), which were announced to the ASX on 17 November 2020 and 20 November 2020 respectively.

**Law Central**

The Company advises that the sale of its equity interest in Law Central was completed on 14 December 2020 and the proceeds of sale have been received.

**Panthercorp**

Easton and Sequoia Financial Group Limited (**Sequoia**) have today entered into a conditional share sale agreement in relation to the proposed purchase of Panthercorp by Sequoia for a consideration, as previously announced, comprised of \$0.90 million in cash and 2.0 million Sequoia shares.

Subject to conditions precedent being satisfied or waived, the proposed sale will be completed on or around 31 January 2021, with a 31 December 2020 effective date.

The proposed sale of Panthercorp will impact the Company's 2<sup>nd</sup> half earnings, but will provide additional funds for investment in core business assets.

The directors confirm that the proposed divestment of Easton's document businesses represents the final step in simplifying the Company's asset holdings.

**Other Matters**

The Company holds a controlling interest in two businesses, Taxbytes Pty Limited (**Taxbytes**) and TaxBanter Pty Limited (**TaxBanter**), both of which provide in-house training to the accounting profession and, as such, are regarded by Easton as core businesses.

Whilst a relatively minor transaction, directors advise that the Company will move from 65% to 100% ownership of Taxbytes on or around 31 January 2021 following the exercise of the put option held by the minority shareholder in Taxbytes.

Directors further advise that a similar put and call option arrangement exists with the minority shareholders in TaxBanter and that the Company similarly expects that option to be exercised in January 2022, which would increase Easton's equity interest in TaxBanter from 60% to 100% at that time.

The TaxBanter transaction, completed in January 2020, included a deferred payment of up to \$0.50 million, to be paid at the end of 2 years subject to the achievement of specific performance criteria over a defined period. A contingent provision for the deferred payment has been recognised in Easton's financial statements as at 30 June 2020, but current projections indicate that the provision (or liability) may be over-stated as the



performance criteria is not expected to be achieved to the full extent specified and, as a consequence, a fair value gain is likely to arise at 31 December 2020.

The quantum of any such fair value gain is subject to estimation and audit review at 31 December 2020, but will not impact Underlying Profit as the expected gain is considered to be a normalisation adjustment given that it is a one-off, non-operational item. It is expected, however, that the fair value gain will partially net off against the anticipated loss on sale of Panthercorp, which would also be a one-off, non-cash item and thereby similarly considered to be a normalisation adjustment.

Authorised for release by Kevin White, Chairman.

**Kevin White**  
**Executive Chairman**

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***About Easton***

*Easton is a leading provider of integrated accounting and wealth solutions to the Australian market.*

*The Company provides support services and solutions to over 3,000 accounting practices, circa 100 financial planning firms and around 600 licensed advisers and their clients. It is ranked in the top 10 dealer (financial planning) groups in Australia by the number of advisers.*

*Accounting support services include a technical, on-line help desk, training and professional development and practice support. Knowledge Shop and Tax Banter, Easton subsidiaries, are both highly regarded, well established brands in the accounting sector.*

*Wealth support services (for accountants and financial planners) include a wide range of dealer services extending from basic licensing to client engagement tools, coaching and training and on-line investment and platform services. GPS Wealth, an Easton subsidiary, was awarded the Core Data Licensee of the Year in 2020.*

**Forward-Looking Statements**

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts, but rather are based on Easton's current expectations, best estimates and projections, with inherent assumptions and beliefs.

Forward-looking statements can generally be identified by the use of forward-looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of the securities laws of applicable jurisdictions.

Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Easton, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Easton has no obligation to disclose publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.