

ASX Announcement

Prime Financial Group Ltd (Prime – ASX code PFG)

4 October 2022



Prime acquires 100% ownership of Intello Pty Ltd

Prime Financial Group Ltd (“Prime”, ASX:PFG) is pleased to announce it has entered into an agreement to acquire 100% ownership of Intello Pty Ltd (Intello), a market leading B2B Self Managed Superannuation Fund (SMSF) Administrator providing services to Accountants, Financial Advisers and their clients across Australia.

Key transaction details;

- Revenue of approximately \$3.0 million
- Full year EBITDA contribution of \$900,000 + (once fully integrated)
- Highly EPS accretive transaction providing strong earnings growth in FY23 and beyond
- Purchase price of approximately \$4.6 million (subject to standard closing adjustments)
- Cash transaction (funded from operating cash flow plus existing and new facilities, whilst remaining within the target Debt to EBITDA range of 0.5 – 1 times as measured annually)
- 70% of consideration paid upfront and 30% subject to performance over a twelve month period
- Completion expected by 4 October 2022 subject to the fulfilment of closing conditions.

Approximately 10% (\$2.8 million) of Prime’s FY22 revenue was generated through the SMSF service line. The Intello acquisition will enhance this by adding an expected additional \$3.0 million of annualised revenue which would take the SMSF service line revenue to approximately 20% of group revenue.

Upon completion of the acquisition Prime will gain a complimentary and capable team plus excellent technology to continue to enhance its services for its B2B Accounting and Financial Adviser clients.

Prime’s Chairman and Managing Director, Mr Simon Madder, said “Our goal is to double group revenue over three years to \$50 million, (FY22: \$26 million) through organic and inorganic activity, and enhance capability across our existing service lines being Accounting & Business Advisory, Wealth Management, Corporate Advisory & Capital, plus SMSF Administration services. The Intello team will serve to accelerate this development and we look forward to warmly welcoming them to our group.”

Intello CEO Kevin Nicol says “the relationship we have developed over the years with Prime means we know they have similar values focused on their people and their clients. For me, it is important that our clients can retain their relationships with our team, to maintain continuity. Our staff and clients will be in safe hands, managed by industry leading professionals.”

It is proposed that Nicol will continue to support the Intello team and clients for a period of 12 months.

Prime’s Managing Director for SMSF, Ms Olivia Long, says “the acquisition is a critical step in our ambition to be the premier B2B SMSF administrator in Australia over the next five years. On completion of the acquisition, it is anticipated we will provide services to almost 4,000 SMSF accounts, a number we are looking to grow significantly”. Long goes on to say “Intello is a perfect fit for us with the leaders of Prime having known Kevin for more than a decade. We appreciate we have the same values when it comes to client servicing and building loyal and dedicated business teams. A significant bonus is that we both use Class software.”

About Prime Financial Group

Prime is an Advisory & Capital Group, operating across four key areas in Accounting & Business Advisory, Wealth Management, SMSF and Capital in its three core locations of Melbourne, Sydney and Brisbane.

For more information on this announcement please contact **Simon Madder (Chairman / Managing Director)** on (03) 9827 6999.