

Via ASX Online**ASX ANNOUNCEMENT – 1 December 2022**

ASX Market Announcements Office

ASX Limited

Acquisition of AFSL Compliance Pty Ltd

Diverger Limited (**Diverger**) advises that it has executed agreements effective 1 December 2022, to acquire a 100% equity interest in AFSL Compliance Pty Ltd (**AFSL Compliance**), a licensee support business.

The acquisition is in line with Diverger's strategy to be a market leading provider of services to advice and accounting firms. AFSL Compliance was established in 2010 and provides support to advice firms that hold their own Australian Financial Services licence or are looking to obtain their own licence. The acquisition of **AFSL Compliance** provides Diverger with an established client base of 160 self-licensed advice firms and deeper capability in consulting services to that market.

The acquisition builds Diverger's scale and supplements the company's growth trajectory towards the FY25 growth targets outlined in the 15 November investor open house presentation.

The initial purchase consideration for AFSL Compliance is \$1.37m to be settled on completion. A further two equal payments of \$0.685m will be paid at 12 and 24 months, subject to AFSL Compliance achieving revenue performance targets. In addition, a third earn-out incentive of up to \$0.60 million, is payable subject to the business meeting an agreed uplift in earnings in the 3rd year.

Expected Earnings Before Interest, Tax & Amortisation (EBITA) contribution from AFSL Compliance is based on FY22 EBITA of \$0.5 million per annum. The acquisition is expected to be earnings accretive (pre synergies) to Diverger in FY23, with targeted revenue synergies commencing in year 1.

The business principal, Stewart Chandler will remain in the business and will be supported by Diverger's team in servicing the existing client base and growing the business.

Authorised for release by the Board of Diverger Limited.

Further information

For all enquiries, please contact Diverger at 1300 655 695 and info@diverger.com.au.