

**Via ASX Online****ASX ANNOUNCEMENT – 17 January 2023**

ASX Market Announcements Office

ASX Limited

**ACQUISITION OF TECHNOLOGY SERVICES BUSINESS TO SUPPORT ADVICE & ACCOUNTING FIRMS****Diverger Limited announces the acquisition of Priority Networking Pty Ltd**

Diverger Limited (**Diverger**) advises that it has executed agreements effective 1 January 2023 and completed today, to acquire a 100% equity interest in Priority Networking Pty Ltd (**PNET**). PNET has operated for over ten years, providing technology support services (including cyber protection), to around 130 businesses.

At a time of heightened business focus on managing technology and cyber risks as well as leveraging technology to operate more efficient businesses, Diverger has taken this step to better support its network of 3,500 advice & accounting firms. The PNET service model, team and track record servicing advice and accounting firms enables Diverger to expand the technology services it already provides to its client base into managing technology infrastructure and cyber protection advice & services.

The acquisition is in line with Diverger's strategy to be a market leading provider of support services to advice and accounting firms, helping them to scale and grow. It supports the company's growth trajectory towards the FY25 growth targets outlined in the 15 November investor open house presentation and Diverger confirms the business remains on track to deliver those targets. PNET also materially enhances organisational technology capability, a key enabler of Diverger's growth strategy.

The initial purchase consideration, funded by Diverger's existing debt facility, is \$2.25 million, with 80% (\$1.80 million) settled on completion and the remaining 20% (\$0.45 million) settled after 12 months subject to PNET achieving EBITA performance targets. In addition, an earn-out incentive of up to \$0.45 million, is payable subject to the business meeting an agreed uplift in earnings in the 2<sup>nd</sup> year.

Expected Earnings Before Interest, Tax & Amortisation (EBITA) contribution from PNET is based on FY22 EBITA of \$0.45 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 principals Greg Gardiner and Jacques Louw 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](mailto:info@diverger.com.au).