

Office Level 8, 1 Chifley Square, Sydney NSW 2000
Postal GPO Box 1453, Sydney NSW 2001
www countplus.com.au
ABN 11 126 990 832

T (02) 8218 8778
E info@countplus.com.au



COUNTPLUS LIMITED “CUP” ASX ANNOUNCEMENT

CUP CORE-RELATED SERVICE PROVIDER ACQUISITION

28 May 2021

CountPlus Limited (**ASX: CUP**) has finalised terms to acquire a 51% shareholding in Wealth Axis, a boutique provider of paraplanning and administration support services to financial advice firms across Australia.

CountPlus will acquire the 51% stake via a combination of share purchase and a capital contribution to fund growth. Total consideration will be \$1.325 million, with the initial equity purchase to contain a deferred payment mechanism linked to incentive criteria. The acquisition will be earnings accretive to CountPlus shareholders.

Mikel Guyetsky will continue to be Managing Director of Wealth Axis and a significant shareholder in the business.

The acquisition enhances the range of services that CountPlus and Count Financial can provide to our national network of member firms. This investment aligns with the CountPlus vision of delivering solutions that simplify and expedite the delivery of efficient and sustainable financial advice. There is a significant opportunity for outsourced services within Count Financial, and the overall financial advice market, driven by increasing supply challenges in financial advice and regulatory change.

The acquisition of Wealth Axis is the first step in building out the CountPlus core related strategy first communicated to the market on 23 February 2021. Our core-related diversification strategy seeks to invest in activities that are concerned with inputs/outputs (downstream) within our Member firms that enhance operational capability.

Core Related Service Provider Value Chain Strategy

Matthew Rowe, Chief Executive Officer and Managing Director of CountPlus, said the acquisition would create positive outcomes for clients, given the important role that these complementary services play in the overall advice process.

“We understand the importance of creating efficiencies in how we deliver advice so that our advisers and their clients have a positive experience. Wealth Axis has a strong reputation for providing services that reduce costs and complexity for financial services businesses which provides real value. Importantly, they are also a business with shared values to CountPlus and their client-first mentality makes them a good cultural fit.”

Wealth Axis assists in reducing the cost and time burden of compliance and administration for financial advice firms by providing outsourced services in Paraplanning and Administration as well as technology systems and processes to leverage this service. Services include - implementation paperwork, applications, preparation of review reports, statements of advice, research assistance and revenue/brokerage administration. The business also provides technology support around implementing and customising Xplan and Midwinter as well as developing financial advice technology and data solutions.

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Count Financial Member firms produce between 1,300 and 1,500 advice documents per month with less than 10% being outsourced. Only 20 member firms currently outsource administration services.

“Given the dislocation taking place in the financial advice market, acquisitions like this demonstrate that CountPlus has the capacity for strategic growth to provide value-added services to our Member firms,” Mr Rowe added.

Mikel Guyetsky, Managing Director at Wealth Axis, welcomed the acquisition and the benefits it will bring to clients at a time when quality advice is more important than ever.

“At Wealth Axis, we are passionate about what we do because we know the direct impact our service plays in delivering financial wellbeing to Australians. To become part of the CountPlus community is an important milestone in our history and will enable us to build on our success and take our offer to the next level.”

Authorised for release to the ASX by the CountPlus Limited Board of Directors.

For further information please contact:

Ray Kellerman
Chairman
T 02 8218 8778
E ray.kellerman@countplus.com.au

Matthew Rowe
Chief Executive Officer and Managing Director
T 02 8218 8778
E matthew.rowe@countplus.com.au
www.countplus.com.au