



STRATEGIC



TAILORED



GROWTH



UNIQUE

Scancorp Capability Overview

Version 2.1



Scancorp:

- Scan Capital AFSL 400964
- Scan Business Brokers
- Scancorp Victoria

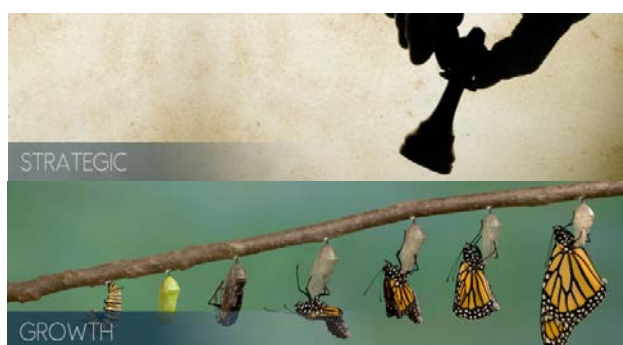


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E: info@scancorp.com.au

W: www.scancorp.com.au

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1. Mergers and Acquisitions,
2. Business Broking,
3. Corporate Advisory, and
4. Funding

- Scan Capital – operates under Australian Financial Services License Number 400964,
- Scan Business Brokers, and
- Scancorp (Victoria) – operates under AFS Representative Number 461341

- ✓ 30 year history
- ✓ ~90% of business is referral based
- ✓ National presence
- ✓ M&A partner to nem Australasia (www.nem.net.au)
- ✓ Exclusive M&A Strategy Adviser to Exit Alliance (www.exitalliance.com.au)

- ✓ M&A: share sales, asset sales, mergers and acquisitions, roll-ups
- ✓ Business Broking: business, asset and company sales
- ✓ *Exit Preparation / Acquisition Assessment (Scancorp's DRA Product)*
- ✓ *Current market value assessment (Scancorp's MVA Product)*
- ✓ *Corporate advisory / transactional support*



A unique *offering to*
Business Owners

Over the next **10 years, 70% of owners** of small and medium businesses will seek to exit their business. Very few are adequately prepared to attract a buyer at a fair price.

[illegible]

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Case Studies:

1. Acquisition of assets by an International trade buyer
2. Acquisition by a private equity roll-up
3. Staged merger and acquisition

Scancorp Team Member Profile

Ian Knight

Scancorp Victoria



BBus, CPA, FACA, MAICD,
AFAIM

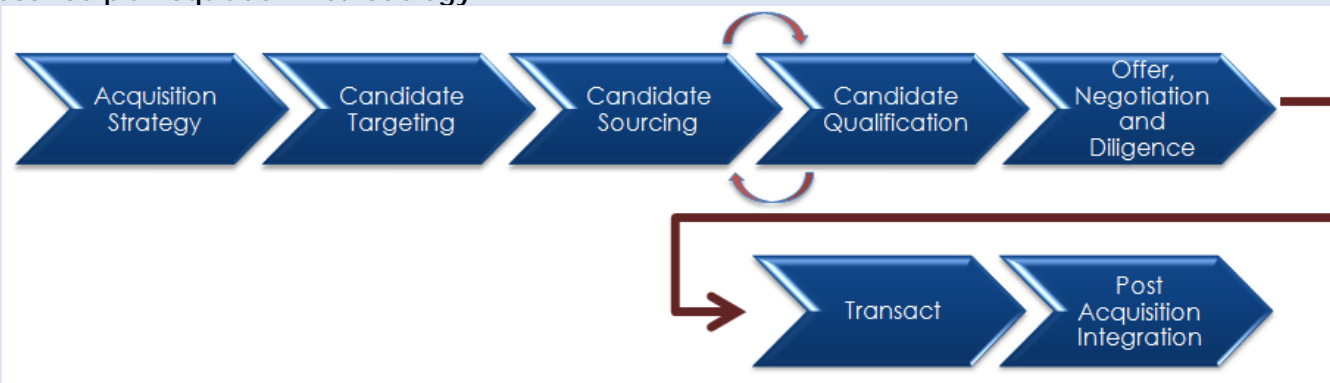
35 years M&A and
corporate finance
experience

Ian started his professional career in 1972 as an auditor with a precedent firm of Deloitte's. Moving into industry in 1975 he worked as a financial accountant then as the surety underwriter for AIG Victoria. In 1978 Ian joined Citibank and became Regional Head of Credit for WA, SA & NT. From 1982 to 1989 he was involved in a number of businesses with partners in the financial broking, wealth management, superannuation administration, property, business broking and corporate finance areas, culminating with the ASX listing of the business, Charthill Limited where Ian held the position of Managing Director/CEO.

After the takeover of Charthill, Ian joined KPMG where he became a Partner in their Corporate Finance division then National Head of Mergers & Acquisitions and established offices in each state. In 2002 Ian established the Private Equity Division becoming Head of Private Equity (Corporate Finance) and held this role until his retirement in 2012. During his time at KPMG Ian was lead advisor on over 150 transactions across 30+ industries with a combined value of over \$5bn.

Ian is an experienced executive director, CEO and chair with over 25 years board level experience. He has sat on the board or committees of over 15 separate organisations spanning: listed; private; not for profit; and government (State & Federal) sectors. He has managed listed and private companies and divisions.

Scancorp's Acquisition Methodology:



Phase	Acquisition Strategy	Candidate Targeting	Candidate Sourcing	Candidate Qualification	Offer, Negotiation and Diligence	Transact	Post Acquisition Integration
Example Actions	<ul style="list-style-type: none"> ✓ Objectives ✓ Targets ✓ Financial Structure ✓ Integration Strategy 	<ul style="list-style-type: none"> ✓ Scope ✓ Size ✓ Geography ✓ Financial ✓ Key criteria ("5 Pillars") 	<ul style="list-style-type: none"> ✓ Source candidates (Scancorp network, direct, indirect etc) ✓ EOI 	<ul style="list-style-type: none"> ✓ Specific client criteria ✓ "5 Pillars" ✓ DRA ✓ Specific industry criteria 	<ul style="list-style-type: none"> ✓ Establish common deal parameters ✓ Negotiate ✓ LOI ✓ Due Diligence 	<ul style="list-style-type: none"> ✓ Contract ✓ Project manage accounting and legal processes ✓ Completion conditions ✓ Complete 	<ul style="list-style-type: none"> ✓ PMI Plan ✓ Bed-down ✓ Performance reporting ✓ Harvest synergies ✓ Look-back

Figure: Scancorp's Acquisition Methodology

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Scancorp M&A Case Study: Acquisition of Assets by an International Trade Buyer



Overview

- **Transaction value range:** circa \$5m
- **Industry:** Commercialised product range
- **Role:** Scancorp was engaged to manage the sale process of a portfolio of profitable commercialised products which enjoyed national distribution.

Scancorp's Process

- Identification of international strategic targets who may have interest in establishing presence in Australia
- Preparation of Information Memorandum
- Direct approach to international targets using industry expert intermediaries
- Communicating with targets to articulate the potential strategic opportunity presented by the acquisition
- Managed offer and acceptance
- Established data room to facilitate initial due-diligence
- Project managed commercial, financial and legal due-diligence
- Structured the outsourced manufacturing contracts to provide the acquirer confidence regarding future GP margins, while providing the seller with certainty of product volumes for their manufacturing facility
- Assisted acquirer to structure their acquisition to optimise tax and commercial flexibility
- Facilitated foreign acquirer's introductions to local banks and accountants
- Worked with client's lawyers to project manage contract to completion
- Assisted the acquirer by developing a post-acquisition plan to support a smooth transition

Scancorp's Divestment Methodology



Deliverables	<ul style="list-style-type: none"> ✓ Aligned expectations ✓ Executed mandate 	<ul style="list-style-type: none"> ✓ IM ✓ Teaser ✓ Advertisement ✓ Lending guidance ✓ Continue data-room 	<ul style="list-style-type: none"> ✓ "Heat map" ✓ EOI ✓ Marketing via various channels ✓ Executed CAS ✓ Major interest / competition 	<ul style="list-style-type: none"> ✓ LOI ✓ Term Sheet ✓ Contract ✓ Due Diligence ✓ Finance ✓ Completion
Indicative Duration		➤ 1-2 months	➤ 2-4 months	➤ 4-9 months

Outcomes

- ✓ The transaction successfully completed
- ✓ Client achieved target sale outcome within 7 months of commencement of the sale campaign
- ✓ Acquirer has confidence in future manufacturing costs, while client's manufacturing facility retains a long-term manufacturing contract
- ✓ Acquirer was able to efficiently enter the Australian market via a profitable acquisition

About Scancorp

Scancorp has **national presence** and comprises Scan Capital (Australian Financial Services License 400964), Scancorp Victoria and Scan Business Brokers.

Scancorp has a near **30-year history** specialising in:

- **Company sales** (including complete acquisitions, partial divestment, asset sales & management buy-outs)
- Sale, acquisition and funding of **hotel, hospitality and tourism assets**
- Preparation for business exit using its proprietary **Divestment Readiness Assessment (DRA)** product
- **Advisory and commercial transaction support**, and
- **Funding** (debt, equity and mezzanine).

Scancorp's team has combined experience across **\$10B in transactions** and applies its **tier-1 M&A and advisory experience** to assist its clients to **achieve exceptional outcomes**.

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Scancorp M&A Case Study: Acquisition by a Private Equity Roll-up



Overview

- **Transaction value range:** \$5m to \$10m
- **Industry:** Services sector
- **Role:** Scancorp was engaged to manage the sale process of the business.

Scancorp's Process

- Preparation of Information Memorandum
- Preparation of anonymous "teaser"
- Communication with Scancorp's network of approximately 3,000 contacts
- Managing interest from Scancorp's network.
- Identifying approximately 1,000 targets across strategic (ie industry) and financial (eg family office, investor syndicates and private equity)
- Communicating with targets to articulate the potential strategic and/or financial opportunity presented by the acquisition
- Managed negotiations, offers and acceptance
- Worked with client's accountants to project manage due diligence on behalf of the seller
- Assisted client to finalise all pre-completion actions required for settlement
- Worked with client's lawyers to project manage contract to completion

Scancorp's Divestment Methodology



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Indicative Duration		➤ 1-2 months	➤ 2-4 months	➤ 4-9 months

Outcomes

- ✓ The transaction successfully completed
- ✓ Scancorp maximised awareness by communicating with over 4,000 potential targets (including industry and financial prospects)
- ✓ Scancorp managed client confidentiality by ensuring our client's identification was not revealed until prospects had been carefully qualified
- ✓ Of over 4,000 targets communicated with, over 100 enquiries were received and Scancorp revealed the identity of its client to only 9 parties, 3 of whom made a firm offer
- ✓ Scancorp assisted post-transaction to finalise earn-out process

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Scancorp M&A Case Study: Staged Merger and Acquisition



Overview

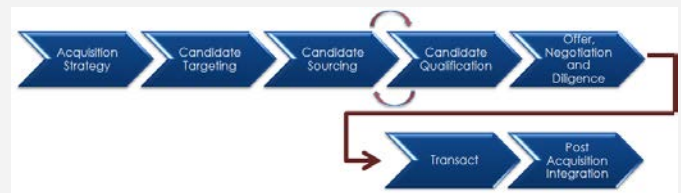
- **Transaction value range:** \$5m to \$10m
- **Industry:** Manufacturing sector
- **Role:** Scancorp was retained to structure and facilitate the merger of two businesses/assets.

Scancorp's Process

➤ Merger (Stage 1):

- Development of the merger strategy
- Development of a merger proposal that best addressed the interests of both parties
- Preparation of initial term sheet
- Project management of the merger process including the coordination of accountants and lawyers

Scancorp's Acquisition Methodology



Phase	Acquisition Strategy	Candidate Targeting	Candidate Sourcing	Candidate Qualification	Offer, Negotiation and Diligence	Transact	Post Acquisition Integration
Example Actions	<ul style="list-style-type: none"> ✓ Objectives ✓ Targets ✓ Financial Structure ✓ Integration Strategy 	<ul style="list-style-type: none"> ✓ Scope ✓ Size ✓ Geography ✓ Financial ✓ Key criteria ('5 Pillars') 	<ul style="list-style-type: none"> ✓ Source candidates (Scancorp network, direct, indirect etc) ✓ EOI 	<ul style="list-style-type: none"> ✓ Specific client criteria ✓ '5 Pillars' ✓ DRA ✓ Specific industry criteria 	<ul style="list-style-type: none"> ✓ Establish common deal parameters ✓ Negotiate ✓ LOI ✓ Due Diligence 	<ul style="list-style-type: none"> ✓ Contract ✓ Project manage accounting and legal processes ✓ Completion conditions ✓ Complete 	<ul style="list-style-type: none"> ✓ PMI Plan ✓ Bed-down ✓ Performance reporting ✓ Harvest synergies ✓ Look-back

➤ Acquisition (Stage 2):

- Subsequent to the merger, development of an acquisition process to enable one of the parties to complete a 100% acquisition of the merged businesses
- Development of the acquisition proposal that best addressed the interests of both parties
- Preparation of initial term sheet
- Project management of the acquisition process including the coordination of accountants and lawyers

Outcomes

- ✓ Both transactions successfully completed
- ✓ Scancorp assisted the retiring business owner to exit the business expeditiously and at fair market consideration
- ✓ Scancorp assisted the purchaser to acquire the business cost effectively while mitigating risk
- ✓ Scancorp assisted with the transition and post-merger integration activities

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Case Studies:

1. Acquisition of assets under administration
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Scancorp Team Member Profile

Marcus Salouk
Scan Capital



BEng, MAppFin, GAICD,
FFinsia, CPEng, RPEQ,
CPBB

25 years international
consulting, advisory and
M&A experience

Marcus is primarily responsible for the oversight of Scancorp's business. Marcus has over 25 years experience in providing consulting and commercial advice to clients. He has successfully led major campaigns valued in excess of \$750M.

Marcus commenced his career as a computer and control systems engineer with Bha Computer before moving into management consulting with Andersen Consulting. He remained with the firm through the IPO and formation of Accenture where he led the ventures and new business models team across Asia-Pacific.

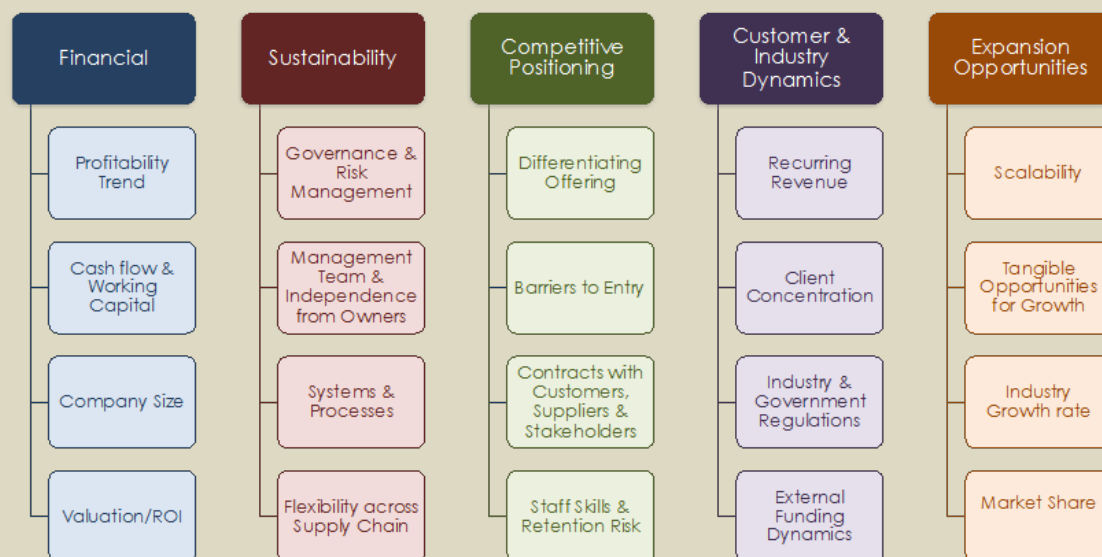
His advisory responsibilities have spanned Australia, China, Japan, Singapore, Malaysia and Brunei. In addition to his work with established corporates, he has also successfully advised and developed early stage businesses.

His expertise spans strategic advice to large corporations through to commercial structuring and financial engineering of complex deals.

Marcus has been a small business owner for several years.

Scancorp's "5 Pillars":

Scancorp: "5 Pillars" of Sellability



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Figure: Scancorp's "5 Pillars" as used within its DRA and MVA Products

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Scancorp Advisory Case Study: Acquisition of assets under administration



Overview

- **Transaction value range:** \$5m to \$10m
- **Industry:** Pool products manufacture and wholesale
- **Role:** Scancorp was retained to manage the acquisition process of the assets under administration.

Background

- Prior to Poolrite Australia Pty Ltd and Poolrite Research Pty Ltd ("Poolrite") entering into administration, Scancorp had assisted Evolve Supply Chain Pty Ltd ("Evolve") and Poolrite to structure an outsource manufacture and distribution arrangement whereby Evolve would provide operational support to Poolrite.

Scancorp's Process

- After entering administration, Scancorp coordinated the Deed of Company Arrangement (DOCA) submitted by Evolve.
- Scancorp was responsible for developing the financial model and deal structure for the DOCA
- Scancorp negotiated the DOCA with Administrators and presented the DOCA to creditors
- Scancorp subsequently worked with the administrators to present an offer for the assets under liquidation
- In parallel with Evolve's acquisition of Poolrite assets, Scancorp ran a tender process to solicit interest for a subset of the assets.
- Scancorp managed the offer, acceptance and contracting process with the successful bidder.

Australian Financial Services License: 400964



Outcomes

- ✓ The two transactions (ie Evolve's purchase and its partial sale) successfully completed contemporaneously
- ✓ Scancorp assisted to successfully secure the Poolrite assets against local and international competition while ensuring the transaction remained affordable to its client
- ✓ Evolve secured a manufacturing agreement from the successful purchaser of the subset of its assets

Estimated return on Scancorp fees: >10x (tangible benefit achieved / fees)

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Scancorp Advisory Case Study: Secondary sell down of ASX listed shares



Overview

- **Industry:** Publicly listed sports and entertainment company
- **Role:** Scancorp was retained by the largest minority shareholders of a publicly listed company to facilitate a sale of their shares.

Background

- The listed company was majority (>75%) owned and controlled by its major multi-national shareholder.
- Scancorp's clients owned circa 20% shareholding
- Due to the highly illiquid nature of the stock, stock brokers were unable/unwilling to assist the minority shareholders

Scancorp's Process

- Scancorp was retained to generate awareness for the share sale and facilitate the transaction.
- Scancorp managed an initial campaign to attract interest from sophisticated investors who wish to acquire large parcels of shares. This process was unsuccessful as the shares were illiquid and represented only a minority interest.
- Due to the iconic nature of the listed company, Scancorp elected to run a retail share sale campaign to the public.
- Shares were sold in \$1,000 bundles making them highly accessible to the general public and supporters of the listed company
- Scancorp developed the marketing campaign which included: print advertising, radio advertisements, television advertisements, web based campaigns and brochures.
- Scancorp managed all required disclosures and advertising approvals associated with a share sale to retail clients
- To eliminate the requirement for share brokers, Scancorp developed an "off-market" share sale process
- Scancorp managed development of a dedicated website that would enable shares to be purchased over the web by the public
- Scancorp engaged and managed the call centre to enable the public to place orders over the telephone
- Funds were receipted to Scancorp's trust account and share registration was matched with cleared funds
- Scancorp managed the transaction with the share registry to complete the registration process
- Scancorp managed the compliance process under its AFSL



Outcomes

- ✓ The process represented one of the first large scale off-market secondary share sell-downs to the public
- ✓ Scancorp attracted circa 200 new shareholders to acquire its client's shares
- ✓ Scancorp introduced the buyer of the largest stake to its clients as a result of its initial campaign to sophisticated parties
- ✓ The result of the 2 campaigns exceeded the initial target of the share sell-down

Estimated return on Scancorp fees: >20x (tangible financial return achieved / fees)

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Scancorp Advisory Case Study: Tender management



Overview

- **Transaction value range:** circa \$40m - \$50m (including follow-on contract)
- **Industry:** Transportation sector
- **Role:** Scancorp and Doug Golden (**nem**) were retained to manage the tender process for the client.

Background

- The contract had been held for over 40 years by our client
- Due to global corporate policy, our client's contract was required to be put to tender
- Competition involved large local and international carriers
- Loss of this contract would jeopardise our client's ability to secure a subsequent contract that would also be tendered (value circa \$40m).

Scancorp's Process

- Development of the bid strategy
- Competitor analysis and development of client SWOT
- Analysis of historic contract profitability by route, service and product
- Formulation of the "Price to Win Envelope"
- Development of pricing strategy
- Development of the proposal
- Ensuring RFQ compliance
- Development and rehearsal of the presentation
- Support during presentation
- Assistance with the negotiation process



Outcomes

- ✓ Our client successfully secured the contract against strong local and international competition
- ✓ Our client's final contract was within its target profitability range

Estimated return on Scancorp fees: >6x (tangible benefit achieved / fees)

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Scancorp Team Member Profile

Ross Tiller

Scan Business Brokers



Licensed Business Broker
and Real Estate Agent

40 years business and
commercial sales
experience

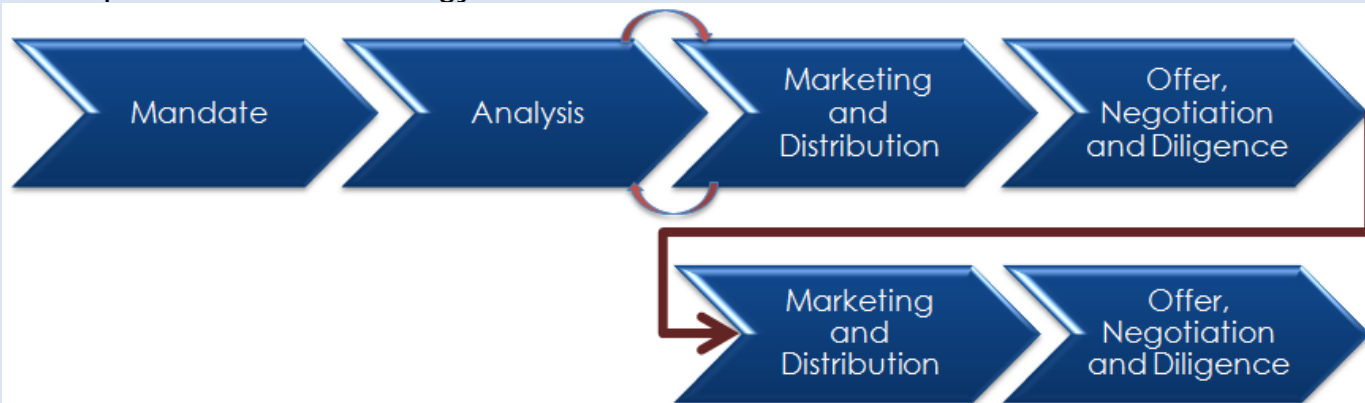
A practicing business broker for circa 40 years, Ross is one of the most experienced business brokers operating in Australia.

Ross is highly experienced in the field of corporate brokerage, merger and acquisition work and is qualified to assess and make comment on the value of plant and equipment and the goodwill pertaining to a business. Additionally, Ross has international marketing and capital raising experience.

Ross is a past member of the Board of the Real Estate Institute of South Australia, a past lecturer of business valuation for the Real Estate Institute Business Division Education Unit South Australia, a past member of the Natwest Australia Bank Valuation of Businesses Panel (SA), and has carried out business valuations accepted by the Supreme Court of Australia.

Ross holds Real Estate licenses in multiple states.

Scancorp's Divestment Methodology:



Deliverables	<ul style="list-style-type: none"> ✓ Aligned expectations ✓ Executed mandate 	<ul style="list-style-type: none"> ✓ IM ✓ Teaser ✓ Advertisement ✓ Lending guidance ✓ Continue data-room 	<ul style="list-style-type: none"> ✓ "Heat map" ✓ EOI ✓ Marketing via various channels ✓ Executed CAs ✓ Major interest / competition 	<ul style="list-style-type: none"> ✓ LOI ✓ Term Sheet ✓ Contract ✓ Due Diligence ✓ Finance ✓ Completion
Indicative Duration		➤ 1-2 months	➤ 2-4 months	➤ 4-9 months

Figure: Scancorp's Divestment Methodology

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Scancorp Business Broking Case Study: Business sale to an investment syndicate



Overview

- **Transaction value range:** \$5m to \$10m
- **Industry:** Retail produce store
- **Role:** Scancorp was engaged to manage the sale process of the business.

Background

- Our client engaged Scancorp after terminating their prior business broker
- Their prior business broker had been engaged for 12 months without presenting an offer to our client
- It was critical to our clients that the sales process remained highly discrete

Scancorp's Process

- Preparation of Information Memorandum
- Preparation of anonymous marketing collateral
- Communicating with Scancorp's database of investors
- Managing marketing channels including print and web advertising
- Communicating with targets to articulate the potential strategic and/or financial opportunity presented by the acquisition
- Managed offer and acceptance
- Worked with client's advisors to project manage due diligence

Scancorp's Divestment Methodology



Deliverables	✓ Aligned expectations ✓ Executed mandate	✓ IM ✓ Teaser ✓ Advertisement ✓ Lending guidance ✓ Continue data-room	✓ "Heat map" ✓ EOJ ✓ Marketing via various channels ✓ Executed CAS ✓ Major interest / competition	✓ LOI ✓ Term Sheet ✓ Contract ✓ Due Diligence ✓ Finance ✓ Completion
Indicative Duration		➤ 1-2 months	➤ 2-4 months	➤ 4-9 months

Outcomes

- ✓ The transaction successfully completed
- ✓ Offers were presented to our client within 3 months of Scancorp's engagement
- ✓ Transaction completed at an EBIT multiple that was attractive to our client
- ✓ No earn-out and minimal ongoing involvement required from our client post sale

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Scancorp Business Broking Case Study: Multi-iteration sale campaign



Overview

- **Transaction value range:** \$4m to \$5m
- **Industry:** Residential accommodation facility
- **Role:** Scancorp was engaged to manage the sale process of the business and property as a freehold going concern.

Background

- Scancorp had run a sale campaign and attracted a prospect who went to contract on the facility
- After an extended period the prospect failed to obtain finance having exhausted all financing options
- Scancorp remodelled the acquisition as a potential investment syndicate and circulated the opportunity amongst its network of investors

Scancorp's Process

- Preparation of Information Memorandum
- Preparation of anonymous marketing collateral
- Managing marketing channels including print and web advertising
- Developed modelling to support an investment syndicate
- Communicating with targets to articulate the potential strategic and/or financial opportunity presented by the acquisition
- Communication with Scancorp's network of investors
- Managed offer and acceptance
- Worked with client's advisors to project manage due diligence

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Indicative Duration		➤ 1-2 months	➤ 2-4 months	➤ 4-9 months

Outcomes

- ✓ The transaction successfully completed
- ✓ As a result of Scancorp's proposed investment syndicate, several prospects demonstrated interest in the asset
- ✓ Scancorp was able to maintain momentum and assist its client to complete the transaction consistent with the target sale price
- ✓ The 2nd iteration of the transaction was completed within 7 months

About Scancorp

Scancorp has **national presence** and comprises Scan Capital (Australian Financial Services License 400964), Scancorp Victoria and Scan Business Brokers.

Scancorp has a near **30-year history** specialising in:

- **Company sales** (including complete acquisitions, partial divestment, asset sales & management buy-outs)
- Sale, acquisition and funding of **hotel, hospitality and tourism assets**
- Preparation for business exit using its proprietary **Divestment Readiness Assessment (DRA)** product
- **Advisory and commercial transaction support**, and
- **Funding** (debt, equity and mezzanine).

Scancorp's team has combined experience across **\$10B in transactions** and applies its **tier-1 M&A and advisory experience** to assist its clients to **achieve exceptional outcomes**.

Scancorp:

- Scan Capital AFSL 400964
- Scan Business Brokers
- Scancorp Victoria



T: +61 7 3902 2400

E: info@scancorp.com.au

W: www.scancorp.com.au

Scancorp Business Broking Case Study: Sale of a medical centre to investors



Overview

- **Transaction value range:** \$0.5m to \$1.0m
- **Industry:** Medical centre
- **Role:** Scancorp was engaged to manage the sale process of the business.

Background

- While Scancorp was able to generate substantial interest from medical professionals when it launched the campaign, initial offers were below our client's expectations.
- As such Scancorp sought to expand the target market to include financial investors as the centre could effectively be run under the management of a non-medical professional.
- To expand the distribution process, Scancorp developed a proposal and indicative modelling to demonstrate the potential return to an investment syndicate.
- Scancorp identified the potential for a syndicate to acquire the centre as the first of several similarly branded centres.

Scancorp's Process

- Preparation of Information Memorandum
- Preparation of anonymous marketing collateral
- Managing marketing channels including print and web advertising
- Developed modelling to support an investment syndicate
- Communicating with targets to articulate the potential strategic and/or financial opportunity presented by the acquisition
- Communication with Scancorp's network of investors
- Managed offer and acceptance
- Worked with client's advisors to project manage due diligence
- Supported the buyer and seller with regards the earn-out process

Scancorp's Divestment Methodology



Deliverables	✓ Aligned expectations ✓ Executed mandate	✓ IM ✓ Teaser ✓ Advertisement ✓ Lending guidance ✓ Continue data-room	✓ "Heat map" ✓ EOJ ✓ Marketing via various channels ✓ Executed CAS ✓ Major interest / competition	✓ LOI ✓ Term Sheet ✓ Contract ✓ Due Diligence ✓ Finance ✓ Completion
Indicative Duration		➤ 1-2 months	➤ 2-4 months	➤ 4-9 months

Outcomes

- ✓ The transaction successfully completed
- ✓ As a result of Scancorp's proposed investment syndicate, several prospects demonstrated interest in the asset
- ✓ Within a month of the re-launch of the campaign, an offer was received from an investor, which was attractive to our client
- ✓ Scancorp effectively assisted its client with the finalisation of the earn-out

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W: www.scancorp.com.au

Scancorp Contacts

Scan Capital Pty Ltd

ACN: 148 967 855

Australian Financial Services Licence Number: 400964

Scan Pty Ltd t/a Scan Business Brokers

ACN: 080 467 401

Scancorp (Victoria) Pty Ltd

ACN: 169 464 868

AFS Representative Number: 461341

Brisbane

Suite 22, 76 Doggett Street
Newstead, QLD 4006
Australia
+61 7 3902 2400

Melbourne

Suite 28, Level 9 Docklands Drive
Docklands, VIC 3008
Australia
+61 3 3902 2400

www.scancorp.com.au
scancorp@scancorp.com.au