

21 August 2023

**LSL Property Services plc ("LSL" or "Group")**

**ACQUISITION OF TENETLIME LIMITED**

**LSL ACQUIRES TENET MORTGAGE NETWORK, ADDING 278 ADVISERS WORKING WITHIN 157 FIRMS TO ITS FINANCIAL SERVICES NETWORK BUSINESS**

LSL announces that it has agreed to acquire the entire issued share capital of TenetLime Limited ("TenetLime") from Tenet Limited, a subsidiary of Tenet Group Limited ("Tenet Group"), subject to FCA approval. TenetLime operates a network providing services to 231 mortgage and protection advisers, operating within 133 appointed representative firms. Its advisers arranged c.£3.9bn of mortgages in 2022.

The transaction also includes consideration for the recruitment by TenetLime of 47 mortgage and protection advisers operating within 24 appointed representative firms, that are currently members of TenetConnect Ltd and TenetConnect Services Ltd, that are expected to transfer to TenetLime prior to completion.

The consideration payable is expected to be up to £12.9m consisting of:

- an initial payment of up to £5.6m, calculated by reference to the number of appointed representative firms at completion and the turnover of these firms in 2022;
- a further payment of up to £4.5m, calculated by reference to the number of appointed representative firms 12 months following completion and the turnover of these firms in 2022; and
- an expected payment of £2.8m for assets which form part of TenetLime's regulatory capital

The total consideration payable at completion is subject to adjustments based on the net asset value of TenetLime at that time.

The acquisition is being financed from LSL's existing cash resources. At 30 June 2023, the Group had a net cash balance of £36.0m.

After a short period of transition, TenetLime members will be integrated fully in the operations of LSL's PRIMIS Network. The acquisition allows LSL to leverage its existing network infrastructure to deliver synergies and enhance the Group's margin.

TenetLime reported profit before tax of £0.9m for the year ended 30 September 2021, at which date it had gross assets of £10.1m. This profit figure excludes the contribution of the 24 appointed representative firms that are currently members of TenetConnect Ltd and TenetConnect Services Ltd and that are expected to transition to TenetLime before completion. Following integration into LSL's PRIMIS Network we expect the transaction to be earnings enhancing in 2024.

David Stewart, Group Chief Executive Officer, commented:

"I'm delighted we have been able to complete this transaction and I look forward to welcoming TenetLime's advisers to our PRIMIS Network. The increase in membership will help us to further invest in our service offering to member firms as well as delivering scale economics to support further growth. The acquisition also underpins our leading position in the mortgage and protection network market and is fully aligned with our Group strategy to develop our Financial Services Network business."

***For further information, please contact:***

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**Notes on LSL**

LSL is one of the largest providers of services to mortgage intermediaries and estate agent franchisees.

Its c.2,700 advisors represent around 10% of the total purchase and remortgage market. PRIMIS was named Best Network, 300+ appointed representatives at the 2022 Mortgage Strategy Awards.

Its 61 estate agency franchisees operate a network of around 300 branches.

LSL is also one of the UK's largest providers of surveying and valuation services, supplying seven out of the ten largest lenders in the UK. e.surv was named Best Surveying Firm at the 2022 Mortgage Finance Gazette Awards.

For further information please visit LSL's website: [lsips.co.uk](http://lsips.co.uk)

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