



Update on Sargon receivable

On 1 April 2020 the Voluntary Administrators for Sargon Capital Pty Limited, Andrew McCabe and Joseph Hayes of Wexted Advisors, published their first report to creditors. This appears to have led to some confusion in relation to OneVue's position as a creditor of the Sargon Group. The purpose of this release is to clarify OneVue's position as a creditor of the Sargon Group and to provide an update on the steps being taken by OneVue to recover the Sargon receivable.

The Diversa and CCSL Trustee businesses were contracted to be sold to Sargon on 28 June 2019 for a purchase price of \$43m. An up-front payment of \$12m was made at settlement leaving an amount of \$31m outstanding.

On 26 February 2020 OneVue announced to the market that it had written down the value of the receivable to \$3.9m but was actively pursuing the outstanding amounts owed.

Prior to the write off, OneVue had appointed Chris Hill and Daniel Walley of PWC as Receivers over the assets which OneVue had a 100% secured interest in (namely, the Sequoia Financial Group Limited and the Madison Financial Group shareholdings).

Since OneVue announced the write down, OneVue has realised \$4.376m for the sale of its secured interest in Sequoia Financial Group Limited and the Receivers are in the process of selling the Madison Financial Group. Despite the Corona Virus pandemic the sale of the Madison Financial Group is progressing well and OneVue intends to finalise the sale in late April, early May 2020.

In addition to what is occurring at the Sargon Capital level, at the Sargon subsidiaries level, the Voluntary Administrators, Stuart McCallum and Adam Nikitins of E&Y, are continuing with the sale of Sargon's operating businesses, which include the Diversa and CCSL Trustee Services businesses previously sold by OneVue to Sargon.

Pursuant to the Share Purchase Agreement, OneVue has asserted its unpaid vendor's lien over the shares of both these businesses. Having received notice of OneVue's interest and intention to enforce the lien, the Voluntary Administrators for the Sargon subsidiaries sought OneVue's agreement to permit the sale of the shares for the purpose of the imminent sale of Sargon's operating businesses

In exchange for OneVue's agreement, the Voluntary Administrators have agreed not to distribute or deal with the total net proceeds of the sale until a further agreement is reached with OneVue or a court determination is made regarding OneVue's entitlement to a share of the sale proceeds.

OneVue is also actively pursuing recoveries as an unsecured creditor in the administration of Sargon Group parent company, Sargon Capital. The Voluntary Administrators' preliminary investigations, communicated to the market on 1 April 2020, indicate that, a dividend to unsecured creditors is unlikely and the Voluntary Administrators recommend that the company be wound up. Creditors will vote on whether to wind up the company, or return the company to the control of its director, on 8 April 2020 at the second meeting of creditors.

The Voluntary Administrators' report did however indicate that if Sargon Capital is wound up, the liquidators will have potential insolvent trading claims against Sargon's directors and officers, and potential voidable transaction and unfair preference claims. Those claims may result in returns to unsecured creditors however OneVue's primary course of action has been to recover the amounts owed to it at the subsidiaries' level, first with the sale of its secured assets, and secondly the enforcement of the lien over the previously owned Trustee Services businesses.

OneVue advises that if the recoveries at the subsidiaries' level are insufficient it will also consider pursuing its own claims against Sargon's current and former directors and officers arising in connection with the sale of the Trustee Services Business businesses.

This announcement was authorised for release by the Board of OneVue.

For further information, please contact:

Connie Mckeage
Managing Director
+61 403 609 965

Ashley Fenton
Chief Financial Officer
+61 2 8823 2550

About OneVue Holdings Limited (ASX: OVH)

OneVue is an ASX listed high growth technology business *with* service leveraged to the superannuation sector. The business operates through two core divisions: Fund Services, and Platform Services.

OneVue is number 1 in Fund Services managed fund administration and number 3 in Superannuation Member Administration. Platform Services was recognised in Investment Trends' December 2017 Platform Competitive Analysis and Benchmarking Report as ranking third in full function platforms, the winner of 'Most New Developments' Award for the second year running and winner of 'Product Offering' Award. In 2017 and 2018.

For further information, visit onevue.com.au

OneVue Holdings Limited | ABN 15 108 221 870 | Level 5, 10 Spring Street, Sydney NSW 2000

P: 1300 219 787 | **E:** enquiries@onevue.com.au