

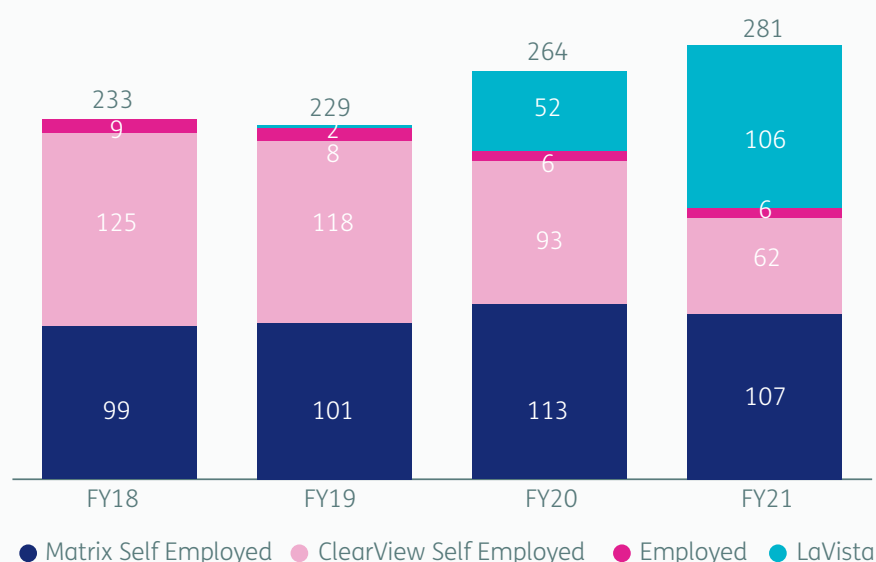
Market Release

25 August 2021

ClearView announces sale of financial advice businesses and acquisition of a strategic equity stake in Centrepont Alliance

ClearView Wealth Limited (ASX: CVW) (ClearView) today announced it has entered into an agreement for the sale of its Financial Advice businesses¹ to Centrepont Alliance Limited (ASX: CAF) (Centrepont Alliance) for \$15.2 million to be satisfied by the issue of 48 million fully paid CAF ordinary shares (with a deemed issue price of \$0.25 each) (Consideration Shares) and a cash consideration of \$3.2 million². This issue of the Consideration Shares will result in CVW holding a 25% strategic equity stake³ in Centrepont Alliance. Centrepont Alliance is a leading provider of advice and business services to financial advice firms throughout Australia.

The CFA¹ and Matrix¹ dealer groups, as at 30 June 2021 together have 175 financial advisers operating under their licences. LaVista¹ has 34 adviser practices (106 financial advisers) using its services at 30 June 2021:



CFA¹ and Matrix¹ are currently mid-sized dealer groups with leading edge technology, a strong management team and robust compliance processes but suffer from a lack of scale that results in sub-optimal profitability. There is a significant opportunity for these businesses to scale the current 'infrastructure' to support a larger number of AFSs and financial advisers and thereby create significant profit uplift through extraction of material synergies.

Subsequent to year end, the Board initiated a strategic review in the financial advice segment to seek out and pursue inorganic opportunities.

The deal with Centrepont Alliance provides the combined entity with immediate scale, a strong and effective management team, best of breed technology and processes and the capability to take a market leading position in the financial advice industry to build a strategically successful and profitable financial advice business.

It further allows ClearView to indirectly participate in the industry consolidation (given structural market changes) and at the same time separate its product manufacturer and financial advice arms.

Much of the value of the transaction is in the strategic value and extraction of significant synergies and creation of a platform and capability to further consolidate the market.

The ClearView Financial Advice businesses are also expected to declare a circa \$7 million pre completion dividend to ClearView prior to their sale to Centrepont Alliance.

ClearView's net surplus capital position is expected to increase, by the amount that the net proceeds⁴ of the transaction (and the pre-completion dividend) exceeds the carrying value of the investment in the Financial Advice business⁵.

ClearView's shareholding in Centrepont Alliance⁶ is expected to be earnings accretive to ClearView.

Any costs incurred in relation to the transaction will be reported as a cost considered unusual to the ordinary activities and not form part of Underlying NPAT⁷ in FY22.

ClearView has the right to appoint one director to the Centrepont Alliance Board upon completion. The deal is expected to complete on or about 31 October 2021.

The transaction is subject to a number of conditions, including approval of shareholders of Centrepont Alliance, regulatory approvals and other customary conditions. Certain employees of ClearView will move across into the entities being sold and various transitional arrangements are to be agreed by the parties.

1 CVW's Financial Advice businesses the subject of the sale are made up of ClearView subsidiaries, ClearView Financial Advice Pty Limited (CFA), Matrix Planning Solutions Limited (Matrix) and LaVista Licencee Solutions Pty Limited (LaVista).

2 Subject to net asset adjustment as defined under the terms of the agreement.

3 48 million CAF Centrepont Alliance shares at 25 cents per share, subject to CAF shareholder approval.

4 Proceeds of \$15.2 million adjusted for the transfer of annual leave and long service leave liabilities for transferred employees and any transaction costs incurred. An adjustment for the APRA capital requirements on valuation of the shares held will be made for capital reporting purposes.

5 \$8.3 million on ClearView Wealth Limited Balance Sheet as at 30 June 2021.

6 Centrepont Alliance earnings are expected to be equity accounted by ClearView from the date of completion.

7 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to ClearView's ordinary activities and includes amortisation of capitalised software and leases.

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Approval of announcement

The Board of ClearView has authorised the release of this announcement to the market.

About ClearView

ClearView is an ASX-listed diversified financial services company which partners with financial advisers to help Australians protect and build their wealth, achieve their goals and secure a comfortable financial future. The Group's three business segments: Life Insurance, Wealth Management and Financial Advice are focused on delivering quality products and services.

For more information visit **clearview.com.au**

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