

## **ASX Announcement**

**12 December 2018**

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### **CENTREPOINT ANNOUNCES CHANGES TO ITS INVESTMENT IN AUSTRALIAN LIFE DEVELOPMENT PTY LIMITED**

The Board of Directors of Centrepoint Alliance Limited (ASX:CAF) ('Centrepoint') advises that it continues to make good progress with implementing the Company's strategic refresh and reviewing the business's priorities, which includes a portfolio review of its assets and interests.

To this end, Centrepoint has entered an agreement with Australian Life Development Pty Limited, trading as NEOS Life ('ALD') that changes the nature of its investment in ALD and requires a faster return of capital to Centrepoint than previously agreed to.

#### **Background**

In February 2017, Centrepoint entered a Convertible Note and Option Deed with ALD pursuant to which Centrepoint lent ALD \$5m, convertible to equity at any time before February 2022. If the debt was not converted to equity by that time, the loan was repayable in full.

In August 2017, Centrepoint subscribed for 5% of the shares in ALD for a further investment in the sum \$1.75m.

#### **New Arrangements**

Today, agreements were signed between Centrepoint and ALD which will see the Convertible Note and Option Deed replaced with a loan agreement, pursuant to which principal and interest repayments are required to be made in 6 monthly tranches between June 2019 and June 2021.

In addition, the shares owned in ALD by Centrepoint have been sold to a related party of ALD for full value on vendor finance. The first payment to the Company is due on 31 December 2018 and the second is due on 31 December 2019.

Centrepoint's CEO, Angus Benbow said, "As shareholders know from previous announcements, upon my commencement as CEO, I undertook a portfolio review of Centrepoint's assets and interests. In addition, Centrepoint has commenced a new strategy, under which Centrepoint will provide market leading services to financial advisers, such as compliance services, technology solutions and business planning and management services. This is quite different to the Company's former strategy, a component of which was focused on product solutions.

"As such, while the Company's investment in ALD was appropriate to the former strategy, after thorough consideration, the Board has decided it is no longer aligned to Centrepoint's current direction. The new arrangements require ALD to repay to Centrepoint 100% of the investment in the Convertible Note and the full value of the ALD shares. Repayments are also required to be made sooner than under the original arrangements.

"We wish Australian Life Development every success for the future."

**For further information please contact:**

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