

**Via ASX Online****ASX ANNOUNCEMENT – 23 June 2022**

ASX Market Announcements Office

ASX Limited

**Diverger submits indicative proposal to acquire Centrepoint Alliance Limited**

Diverger Limited (**Diverger**) refers to the Notice of Initial Substantial Holding Notice lodged today detailing that it has entered into a call option deed with TIGA Trading Pty Ltd and Thorney Holdings Proprietary Limited in respect of 19.99% of the ordinary shares in Centrepoint Alliance Limited (**CAF** or **Centrepoint Alliance**).

Diverger confirms that it has submitted a non-binding and indicative proposal to the Board of Centrepoint Alliance to acquire all of the shares in Centrepoint Alliance for a combination of cash and Diverger shares valued at \$0.325 per CAF share (**Offer Price**) by way of a Scheme of Arrangement (**Indicative Proposal**).

The Offer Price represents a:

- 30.0% premium to Centrepoint Alliance's last close price at 22 June 2022;
- 48.2% premium to Centrepoint Alliance's volume weighted average price (VWAP) for the 5-days to 22 June 2022;
- 42.8% premium to Centrepoint Alliance's VWAP for the 1 month to 22 June 2022; and
- 29.8% premium to Centrepoint Alliance's VWAP for the 6 months to 22 June 2022.

Diverger believes the Indicative Proposal provides compelling benefits to Centrepoint Alliance's shareholders and licensee stakeholders. Specifically, the combined group will benefit from:

1. a significantly strengthened market leading position with greater operational scale with services being provided to an advisor footprint of more than 1,400 advisors post completion;
2. an expansion of core client services utilising the skill and expertise of both Diverger's and Centrepoint Alliance's existing operations team and combined product offerings;
3. a platform for enhanced market liquidity for both organisations; and
4. a shared ability to leverage the technology capability and learnings from Diverger's technology partnerships.

Under the Indicative Proposal, it is intended that Centrepoint Alliance shareholders will be able to elect to receive the Offer Price in cash or shares in Diverger as part of a 'mix and match' facility with the default consideration offered to shareholders comprising \$0.1625 per share in cash consideration and \$0.1625 per share in Diverger scrip consideration, which allows Centrepoint Alliance shareholders to participate in the enlarged entity. It is expected that the maximum cash consideration and scrip consideration to be offered under the Indicative Proposal will be approximately \$31.8 million and \$31.8 million respectively. Elections for cash and/or scrip consideration above these thresholds would be subject to scale back on a pro-rata basis.

Further, as part of the Indicative Proposal, Diverger would be amenable to the Board of Centrepoint Alliance declaring a dividend of up to \$0.02 per share (**Permitted Dividend**) provided that a minimum cash balance of \$8 million is available at

completion (post transaction costs, payment of the Permitted Dividend (if applicable) and subject to sufficient working and regulatory capital being available), with no corresponding reduction to the Offer Price.

The Indicative Proposal is incomplete and incapable of acceptance and remains subject to number of standard conditions including:

- completion of a short period of exclusive due diligence;
- approval from all relevant regulatory and government bodies and receipt of relevant third-party consents,
- entering into mutually acceptable transaction documentation on customary terms and conditions; and
- final approval of the Diverger Board.

Diverger looks forward to working collaboratively with the Centrepoint Alliance Board to undertake due diligence and execute binding transaction documents in an efficient manner to provide Centrepoint Alliance shareholders with a high degree of certainty, limited conditionality and minimal execution risk.

Diverger has engaged MA Moelis Australia Advisory Pty Ltd as financial adviser and MinterEllison as legal adviser in relation to the Indicative Proposal.

## **Ends**

Authorised for release by the Board of Diverger Limited.

## **Further information**

For all enquiries, please contact Diverger at 1300 655 695 and [info@diverger.com.au](mailto:info@diverger.com.au).