

ASX Release 6 August 2020

Strategic update

New Institutional shareholder, disposal of 50% holding in B2C publishing joint-venture

Background

Over the past two-and-a-half years WT Financial Group Limited (the Company or the Group) has undergone a transformational restructure to reduce its focus and reliance on business-to-consumer (B2C) and non-recurring revenue, to emerge as a primarily business-to-business (B2B) focused enterprise targeting predominately recurring revenue lines.

The successful implementation of the strategy has seen the Company return to operating profit, as set out in its indicative results for FY2020 which were announced to the market yesterday.

Central to its strategy has been the acquisition of the Group's Wealth Today Pty Ltd (Wealth Today) subsidiary which provides a comprehensive range of "dealer group" services to financial advisers.

The Group's acquisition of Wealth Today is enabling it to capitalise on industry disruption created by the unravelling of institutional advice models which continues to provide a substantial expansion opportunity.

At the same time the institutional advice model has been disintegrating, the many smaller, sub-scale dealer groups with less than 50-100 advisers, have faced ever-increasing compliance requirements and significant increases in demands from advisers for comprehensive internal education and training. This potentially marginalises dozens of existing smaller dealer groups, presenting further opportunity for growth by Wealth Today as operators choose to exit the industry by way of closure or sale.

New initiatives and corporate actions

To complete its restructure program; to ensure it represents a strong and viable new home for displaced advisers; and further to ensure it is positioned to capitalise on market opportunities as and when they emerge, the Company announces the following initiatives.

New institutional shareholder

The Company will welcome The Armytage Micro Cap Activist Fund (Armytage) to its share register as a significant shareholder by way of Armytage subscribing for \$500,000 new shares in the Company to be issued at the 90-day volume weighted average price of the Company's shares, being 3.1 cents. An appendix 3B has been lodged with the ASX today.

Disposal of 50% holding in B2C publishing joint-venture

Concurrently with its emergence as a leading dealer group, the Group has rationalised its B2C financial advice and wealth management operations conducted under the Spring Financial Group banner, which has helped deliver significant cost reductions.

In furtherance of this strategy the Company has sold its remaining 50% stake in B2C-focussed digital publisher Sharecafé Pty Ltd (formerly Spring FG Digital Pty Ltd) (Sharecafé) to its JV partner Informed Investor Pty Ltd for \$225,000. The sale price is equal to the Company's carrying value of the investment.

The Company will continue to provide certain support services to Sharecafé on a commercial arms-length basis and will further retain advertising rights on the Sharecafé website for a term of at least 18-months.

About WT Financial Group Limited

WT Financial Group Limited is a diversified financial services group. Its advice and product offerings are delivered primarily through a group of independent financial advisers operating as authorised representatives under its Wealth Today Pty Ltd subsidiary. The Group's B2C division delivers a range of

WT FINANCIAL GROUP LIMITED (ASX: WTL)

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services directly to wholesale and retail clients through the Spring Financial Group brand, encompassing financial planning, accounting & tax services, mortgage finance services, and investment and asset management.

The Group offers market-leading financial education and market information services for advisers and consumers through that includes the publication of its Wealthadviser library of more than 100 financial literacy eBooks on a broad range of financial an investment market topics.

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