

ASX Release 27 September 2019

Extraordinary General Meeting, Change of Name, Convertible Note Issue and Share Purchase Plan

Spring FG Limited (the Company or the Group) has today lodged a draft Notice of Extraordinary General Meeting (EGM) with the ASX for approval ahead of its dispatch to shareholders. The matters to be put to the meeting which are the approval of a change of name for the Company and issue of convertible notes (Convertible Notes) are set out in more detail below.

The Company will also later today lodge documentation with the ASX with respect to a Share Purchase Plan (SPP) for existing shareholders who were on the register as at yesterday, 26 September 2019. Further details are provided below.

Background

Over the past two years 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.

Central to its strategic transformation 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 across Australia who are independent business operators acting as authorised representatives, or corporate authorised representatives. Wealth Today adviser numbers have nearly tripled over the past 18 months and now exceed 110 advisers.

Concurrently the Group has rationalised its B2C financial advice and wealth management operations conducted under the Spring Financial Group banner (that employ salaried personnel), and achieved significant reductions in fixed overheads, in particular across employment expenses, and B2C advertising & marketing costs.

This strategy has enabled the Group to achieve significant revenue increases with FY2019 *Revenue from Ordinary Activities* up more than 40% over the prior year to \$10.47M (FY2018 \$7.38M), with improvement ongoing throughout the year showing H2 FY2019 *Revenue from Ordinary Activities* up around 18% on the first half.

The Company's strategic transformation has also positioned it to capitalise on industry disruption created by the unravelling of institutional advice models which is creating a substantial expansion opportunity for the Company (as was more fully detailed in a market update provided by the Company on 26 August 2019) with the Company targeting further significant growth in adviser numbers over the next 12-18 months.

To reflect its strategic transformation, and to ensure it is best positioned to capitalise on the unprecedented growth opportunities before it, the Company is undertaking a series of material corporate actions as more fully detailed below.

Extraordinary General Meeting to consider name change and approval for convertible note issue

Subject to, and upon approval by the ASX, a notice of meeting, explanatory memorandum and proxy form for an EGM to be held on or about Friday 8 November 2019 will be dispatched to shareholders.

Name change

The first resolution proposed to be put to the meeting will be to change the name of the Company from Spring FG Limited to WT Financial Group Limited.

Changing the name of the head company reflects the evolution of the business and operations of the Group to include a much greater focus on the provision of licensing and support services on a "business-to-business" basis under its Wealth Today Pty Ltd dealer group.

The Group intends to continue its direct-to-consumer operations under the *Spring Financial Group* banner (in a significantly rationalised format) in both the immediate and longer term.

The Company has reserved the ASX code of WTL for use subject to, and from the date of, approval of the name change.

Convertible Note Issue

The second resolution proposed to be put before the meeting will be to approve the issue of Convertible Notes to raise up to \$2,600,000.

If approved and fully subscribed the notes will be issued (within three months from the date of approval) to wholesale and sophisticated investors and will be convertible to up to a maximum of 40,000,000 shares at between \$0.065 and \$0.085 per share, will have maturity dates of between 2 and 3 years, and interest rates of between 8.25% pa and 8.75% pa. The Convertible Notes will not be quoted on the ASX.

Share Purchase Plan

The Company intends to later today lodge a notice of a Share Purchase Plan (SPP) to provide the opportunity for shareholders who were on the register as at yesterday, 26 September 2019, including those who would not be able to participate in the Convertible Note issue, the opportunity to acquire a minimum of \$2,000 and up to \$30,000 of new fully paid ordinary shares in the Company with no transaction or brokerage costs.

The Company encourages all eligible shareholders to participate in the SPP and take advantage of the opportunity to acquire the Company's shares at an issue price of A\$0.05 per share, which represents a discount of 9.8% to the closing price on 26 September 2019, and a 30% discount to the minimum conversion price of the proposed Convertible Note issue.

The SPP aims to raise approximately \$1.0M to 1.5M and is not underwritten. The Company may determine to raise a higher amount or decide to scale back applications under the SPP.

The SPP is scheduled to open on Friday 4 October 2019 and is expected to close on Tuesday 22 October 2019.

The terms and conditions of the SPP will be set out in an offer booklet intended to be lodged later today and expected to be dispatched in electronic and printed forms to eligible shareholders next week.

ENDS

Further information:

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