

ASX Announcement – 25 October 2022**Sentry Group Acquisition Upside Consideration and Upside Shares**

WT Financial Group Limited (**WTL** or the **Company**) today lodged an Appendix 3B for the proposed issue of up to 9,473,970 ordinary shares related to its 2021 acquisition of Sentry Group Pty Limited (**Sentry**).

The shares are to be issued in accordance with and subject to the matters set out below.

Background

On 16 July 2021, Shareholders approved the Company's acquisition of all of the issued capital of Sentry for an initial purchase price of \$7 million (**Sentry Acquisition**) at a meeting of members held on that same date (**Sentry EGM**).

Under the Sentry share purchase agreement (**SPA**), subject to exceeding a base fee revenue performance hurdle for FY2022, the Sentry Sellers were entitled to an upside consideration (**Upside Consideration**) to be satisfied as to 50% cash and 50% WTL shares (**Upside Shares**) and payable at a rate of \$1.97 for every \$1.00 that base fee revenue contributed by Sentry in respect of FY2022 exceeded an agreed milestone of \$3.55M as certified by the Company's auditor (**Upside Audit Certificate**).

As detailed in the Company's recently released Consolidated Financial Statements, on 6 September 2022 the Company's auditor issued the Upside Audit Certificate confirming that base fee revenue for the purposes of calculation of the Sentry Upside Consideration was \$4.29M, thereby exceeding the minimum revenue benchmark by \$740k. This equates to an Upside Consideration of \$1.46M. This amount was fully provisioned as a liability in the FY2022 financial statements, and its 50% cash component has subsequently been paid in full.

In accordance with the SPA the issue price for the Upside Shares is calculated as \$0.0763, being 85% of the volume weighted average price at which WTL Shares traded on ASX over the 30 days up to the date of determination of the Upside Consideration on 6 September 2022. The Upside Shares will be subject to escrow restrictions for a period of 12 months from that same date.

As set out in the 3B lodged today, and subject to below, the Company will issue a total of up to 9,473,970 Upside Shares.

Of these, a total of 3,368,944 Upside Shares are proposed to be issued to entities associated with Michael Harrison (**Harrison Related Entities**) who was a Sentry Seller and subsequently became a director of the Company. Mr Harrison is now subject to the usual restrictions under Listing Rule 10.11 for a share issue to a director.

As such (and further for the reasons detailed below), approval for the issue of Upside Shares to Harrison Related Entities will be sought at the Company's Annual General Meeting (**AGM**) to be held at 10.30am on 30 November 2022. A Notice of Meeting will be dispatched to Shareholders later this week.

The remaining 6,105,026 Upside Shares will be issued to Sentry Sellers other than Harrison Related Entities by placement under Listing Rule 7.1, no later than 4 November 2022.

Prior Shareholder approval and ASX waiver of Listing Rule 7.3.4

Shareholders should note that the Upside Share Consideration and issuance of Upside Shares was previously approved by 99.99% of Shareholders at the Sentry EGM on 16 July 2021, and as was detailed in the Company's notice of meeting dated 15 June 2021, the Company applied to the ASX for a waiver of Listing Rule 7.3.4, which was granted on 15 July 2021 (**Waiver**). The Waiver extended the time available for the Company to issue the Upside Shares to the Sentry Sellers up to 7 September 2022 (**Waiver Deadline**) and included a requirement for the Company's auditor to issue the Upside Audit Certificate.

At the time of the Sentry Acquisition, it was not foreseeable that the Company would also complete another significant acquisition as it did in March 2022 when it acquired Synchronised Business Services Pty Ltd (**Synchron**).

Due the complexity of the reporting requirements associated with the acquisitions the preparation and audit of the Company's financial statements was delayed, in turn impacting the issuance of the Upside Audit Certificate. As a result,

the Company was unable to issue the Upside Shares by the Waiver Deadline.

The Company applied to ASX for an extension of the Waiver under Listing Rule 14.7, to enable the issue of the Upside Shares following the Deadline (**Waiver Extension**) without requiring a second round of shareholder approvals.

ASX has now advised that the Waiver Extension will not be granted, and Shareholders will therefore be asked to consider for approval the issue of Upside Shares to Harrison Related Entities at the AGM. If Shareholders do not grant that approval, the Company will need to pay the Harrison Related Entities, in aggregate, \$257,050 in cash.

Shareholders will also be asked to ratify the issue of Upside Shares to the non-Harrison Related Entities Sentry Sellers at the AGM.

ENDS

About WT Financial Group Limited

WT Financial Group Limited has established itself as amongst the very largest financial adviser networks in Australia. Its advisory services are delivered primarily through a group of privately-owned financial advice practices whose advisers operate as authorised representatives under its Wealth Today, Sentry Group, and Synchron subsidiaries.

Its network of more than 400 advice practices now collectively deals with more than 100,000 clients - and have in excess of \$16Bn of assets under advice; annual in-force personal insurance premiums of more than \$360M; and new insurance premium sales for circa \$25M annually.

The Group's B2C division delivers a range of services, encompassing financial planning, accounting & tax services and mortgage finance services, directly to wholesale and retail clients through the Spring Financial Group brand.

The Group offers market-leading financial education services for advisers and consumers through regular seminar programs and the publication of its Wealth Adviser library of more than 100 financial literacy handbooks and manuals on a broad range of financial and investment market topics.

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