

ASX Announcement – 21 November 2023

WTL TO ACQUIRE MILLENNIUM3 FINANCIAL SERVICES PTY LTD

WT Financial Group Limited (**ASX: WTL**) (**WTL**, the **Company**, or the **Group**) is pleased to announce it has entered a Sale and Purchase Agreement (**SPA**) to acquire 100% of the issued capital of financial advice network Millennium3 Financial Services Pty Ltd (**M3**) from Insignia Financial Limited (**ASX: IFL**) (**IFL**). Settlement of the acquisition (**Acquisition**) is scheduled to occur by mid-December 2023 (**Completion**).

Highlights:

- The M3 network includes more than 140 wealth and personal risk insurance advisers operating in more than 75 privately-owned practices across the country. It is one of Australia's most established networks of financial advice professionals, with its origins tracing back over 30 years.
- WTL will pay \$2.01M to acquire M3 on a debt free, cash free basis, with the final purchase price adjusted at Completion to reflect any retained working capital. WTL intends to fund the Acquisition using cash at hand.
- The Acquisition is highly synergistic and accretive to earnings. Based on its modelling, once fully integrated into its operations, WTL expects the Acquisition to contribute more than \$50M of revenue; circa \$4.5M of gross profit; and more than \$500k of NPBT to the Group on an annualised basis.
- On Completion the M3 network will add circa \$5Bn in FuA and more than \$150M of in-force risk insurance premium, bringing WTL FuA to circa \$23Bn and in-force premium to circa \$470M.
- The Acquisition further cements WTL as amongst the very largest financial adviser networks in Australia.

Commenting on the Acquisition WTL CEO, Keith Cullen, said:

"The Acquisition represents a significant opportunity to continue to leverage our robust and scalable infrastructure for the benefit of the advice practices we support. WTL presents as an ideal home for M3 advisers - one where we believe they can and will flourish.

We're delighted at the opportunity to retain M3's talented frontline support staff and regional managers who we believe will add significant value to our Group. We're delighted too that outgoing M3 CEO Helen Blackford has agreed to remain for a transition period to support the integration of M3 into WTL's operational structure".

A smooth transition to the benefit of M3 advisers and their clients

IFL currently services the M3 network primarily via a centralised support group in the same manner that WTL supports each of its Sentry, Synchron and Wealth Today cohorts via its Wealth Adviser hub. Further, its policies and processes, and technologies deployed at both a licensee and practice level are also kindred. As such a relatively seamless transition is anticipated from Completion ensuring minimal disruption for M3 advisers and their clients.

M3 advisers will benefit from WTL's market leading adviser education and training, and access to its innovative consumer education, client recruitment, client retention and digital marketing expertise and assets.

Mr. Cullen added:

"The M3 fee structure closely aligns with the structures we operate across our existing cohorts on a net per practice and per adviser basis. Additionally, it includes a variable fee component, aligning our interests in helping practices grow their own revenue and profitability, which is our core focus at a time of unprecedented opportunity for advice professionals and advice network operators alike".

Ongoing relationship with IFL

WTL said it has a strong working relationship with IFL, with WTL advisers and their clients having considerable FuA on IFL investment administration platforms and FuM invested in IFL asset management products, both of which have seen positive funds inflow for the past 12 months. Additionally, IFL is a cornerstone education partner in WTL's leading adviser education and training programs, supporting its nationwide professional development days, weekly livestream workshops, its NextGen conference, National Congress, and its Optimum practice development programs.

Shareholder and investor webinar

The Company invites shareholders and investors to a webinar to be conducted on Thursday this week (following the Company's AGM) where WTL founder and CEO, Keith Cullen, will provide an overview of the Acquisition. The webinar will be hosted via Zoom on Thursday 23 November 2023 at 12.00 noon AEDT / 9.00 am AWST.

Details of the event are as follows:

Event: WT Financial Group Limited Investor Webinar.

Date and Time: Thursday 23 November 2023 at 12.00 pm AEDT / 9.00 am AWST.

Where: Zoom Webinar - details to be provided upon registration.

To register your interest for the webinar please click through to the link below:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_fISYAm2HQoOIW602ZC1RhA

After registering your interest, you will receive a confirmation email with information about joining the webinar. Participants will be able to submit questions via the panel throughout the presentation, however we encourage shareholders and investors to send through questions via email beforehand to:

jm@janemorganmanagement.com.au

Ends

About WT Financial Group Limited

WT Financial Group Limited has established itself as amongst the very largest financial adviser networks in Australia. Its wealth management, retirement planning and personal risk insurance advice services are delivered primarily through a group of privately-owned advice practices whose advisers operate as authorised representatives under its Wealth Today, Sentry Advice, Synchron Advice, and (upon Completion) Millennium3 subsidiaries.

The Group's B2C division delivers a range of financial advice services directly to wholesale and retail clients through its Spring Financial Group brand.

The Group's Wealth Adviser division is the Company's central services and support hub and also offers market-leading services and solutions to advisers and their clients outside of WTL's subsidiary cohorts including through regular in-person and livestreamed seminar and professional development programs and the publication of a library of more than 100 financial literacy handbooks and manuals in both digital and printed formats.

Authorised for release by:

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