ASX and Media Release

Spring FG Limited (ASX: SFL)

1 March 2016

Spring FG Limited Interim Report Conference Call

Financial services company Spring FG Limited (Spring FG or the Company, ASX: SFL) is pleased to provide a copy of its results presentation to be presented today at a conference call to discuss its Interim Report and Appendix 4D for the half-year to 31 December 2015 as lodged with the ASX on 29 February 2016. Call details are as follows:

11.30am (AEDT)

Wednesday 2 March 2016

Number: 1800 857 029

Access code: 57067258#

An invitation is extended to shareholders and interested parties to attend.

The presentation is included herein and follows.

About Spring FG Limited - www.springFG.com - ASX: SFL

Spring FG Limited (Spring FG) is a diversified financial services company offering financial planning and investment advice; wealth management; insurance and superannuation; finance; and tax & accounting services. Its advice and product offerings are broad and include a specialisation in the high-growth markets of self-managed superannuation funds (SMSFs); and direct and SMSF residential real estate investment.

With a combined online community of more than 140,000 subscribers, the Company's *Wealthadviser* and *Spring FG Digital* divisions offer financial education and market information services free-of-charge through content-rich websites, regular seminar programs and the publication of more than 70 eBooks on a broad range of subjects.

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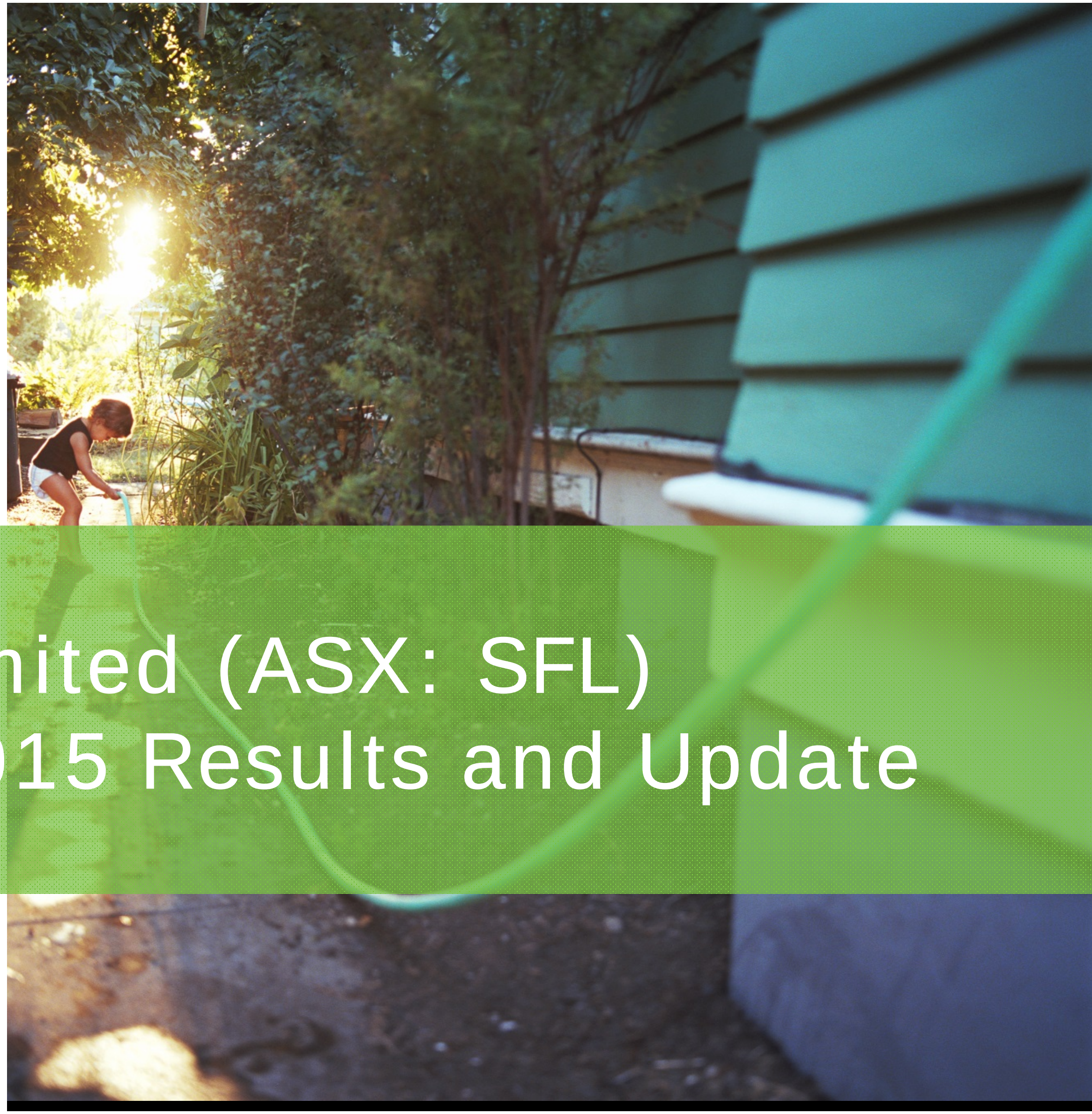

Spring FG Limited (ASX: SFL)
HY 31 Dec 2015 Results and Update

2 March 2016
Keith Cullen

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About Spring FG Limited

- Spring FG is an ASX-listed financial services company founded on a vision of a *fresh approach* to financial advice in Australia.
- We offer a full range of wealth management services including financial planning, investment advice, insurance & superannuation, finance, estate planning and tax & accounting.
- Key focus and expertise in SMSFs and residential investment property.
- Offices in Sydney, Melbourne, Brisbane and Canberra. Team of 60 people.
- Senior management and board extensive experience in wealth management industry and technology.
- A profitable history founded on a highly refined business model.
- Strong balance sheet.
- Positioned for further significant growth.

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About Spring FG Limited

- Our vision of a *fresh approach* is founded on establishing the lifestyle & financial goals of our clients and then developing tailored strategies to help achieve them rather than focusing on products.
- Our focus is to deliver peace-of-mind not just technically relevant or correct solutions.
- We offer free financial education and information through our Wealthadviser library of more than 75 eBooks, our Sharecafé and Sharescene websites and regular seminars.
- Collectively through these services we have built an online community of more than 140,000 investors.
- Our commitment to adviser training and education is second-to-none.

A team committed to a fresh approach

- Guy Hedley – Non-Executive Chairman

  Founder and head of Macquarie Private Bank for 10 years and Director of Macquarie Group from 2002 to 2012. Founder and Executive Chairman of Atlas Advisors Australia.

- Jeff Zulman - Non-Executive Director

  Extensive experience at operational and board level of private and listed companies in technology and financial services.

- Keith Cullen - Managing Director

  Founder of Spring FG. Extensive experience as a corporate executive, general manager and sales & marketing director in financial services, gaming & media. Previous roles with WPS Financial Group (CEO), eBet Limited (Managing Director), Australian Radio Network and Wesgo Communications.

- Chris Kelesis - Executive Director

  Co-founder of Spring FG. Manages Spring's relationships with major developers and property asset managers.

A team committed to a fresh approach

- Frank Paul – Head of Advice

  20 year veteran of financial advice, founder of Moneytree Partners, Master of Commerce (Fin. Planning) and Accredited SMSF specialist.

- Russell Scott – COO/CFO

  Chartered accountant, CPA, approved auditor and tax agent eBet Limited CFO/COO, General Manager Reckon Docs, AMP.

- Mitchell Ansiewicz - Group GM

  Bachelor of Law, Master of Commerce, Dip FP and SMSF specialist. A foundation employee and first recruit in Grad Recruit Program.

Half-year to 31 Dec 2015

- Early-adoption of AASB 15 *'Revenue from Contracts with Customers'*

  Company has elected to early-adopt AASB 15 (historically applied AASB 118 *'Revenue'*).

  Accordingly all figures presented in its Interim Report and Appendix 4D reflect the early-adoption including re-statement of opening balances and prior periods where impacted.

- What does early-adoption of AASB 15 mean to the Company?

  The Company no longer recognises work-in-progress revenue and expenses which means delayed recognition of such revenue and expenses.

- Why early-adopt?

  In past 12 months there has been a great focus by the markets, auditors and regulators on recognition of WIP under AASB 118 with these stakeholders often in conflict with the policies adopted by listed companies.

  AASB 15 represents a more conservative approach and resolves any conflict in this regard.

  AASB 15 becomes mandatory in 18 months so to defer would only delay any impact rather than negate it.

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Half-year to 31 Dec 2015

- Impact of early-adoption of AASB 15

An impact to P&L in the initial period of adoption due to delaying recognition of revenue (and expenses).

This in turn impacts trade receivables and payables, and taxation balances. A more detailed discussion on the impact can be found in the Company's Interim Report and Notes to the financial statements.

The greatest impact is on the FY2015/2016 retained earnings closing/opening balances which were reduced by $2.0M after taking into account a reduction in tax liability of circa $1.5M. However retained earnings remain healthy at 31 December 2015 at $1.0M even after taking into account the Company’s fully-franked dividend of $3.0M paid in November 2015.

The adjustment to retained earnings reduced Net Assets by the same $2.0M amount however they remain very healthy at $17.3M, including NTA of $9.5M.

No impact to cashflow.

NB: Net tangible assets includes $7.2M of cash receivables linked to completion of major residential development projects. The Company has a track record of 100% collection of these cash receivables since inception.

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Half-year to 31 Dec 2015

- Revenue, expenses and profit
- Revenue up 18% on prior corresponding period (PCP) to $5.4M
- Transition to being an ASX-listed company resulted in an increase in total operating expenses of 15% to $4.0M (PCP $3.5M).
- Staff increases in preparation for launch of new online services and rollout of a franchised branch network saw employment expenses up 50% to $2.2M (PCP $1.5M).
- Most other expenses remained steady – or in the case of some acquisition and IPO related expenses in the PCP, were reduced.
- Depreciation & amortisation increased 204% to $154,501 (PCP $51,129) due to depreciation of acquired fixed-assets and amortisation of acquired intangible assets.
- Write-off of $102,508 of fixed assets associated with head-office relocation impacted result.
- Taxation up 89% to $322,280 (PCP $169,726).
- Operating profit up 29% on PCP to $1.4M.
- NPAT up 1.5% on PCP to $0.81M.

Half-year to 31 Dec 2015

- Balance sheet
- Total assets up 4.6% to $20.6M compared to $19.6M at 30 June 2015.
- Total liabilities up 11.7% to $3.2M compared to $2.9M at 30 June 2015 and included circa $2M in current and deferred tax liabilities.
- FY2015 fully-franked dividend (paid on 19 November 2015) up 145% to $3.0M (FY2014 $1.2M).
- Retained earnings at 31 December 2015 were $0.9M compared to $3.1M at 30 June 2015 after payment the FY2015 fully-franked dividend.
- Net assets up 3.4% to $17.3M compared to $16.8M at 30 June 2015.
- Net tangible assets (NTA) up 5.0% to $9.5M compared to $9.0M at 30 June 2015.
- Net cash at the end of the period was $1.0M.
- The Company had no bank or other financing or debt facilities (either undrawn or drawn) in place as at 31 December 2015.

NB: Net tangible assets includes $7.2M of cash receivables linked to completion of major residential development projects. The Company has a track record of 100% collection of these cash receivables since inception.

Half-year to 31 Dec 2015

- Cashflow, trade receivables and forward cashflow
- Receipts from customers strong at $4.8M but impacted by unusually low number of completions of major residential projects during the period. Circa only $0.25M compared to PCP circa $1.2M.
- Payments to suppliers $4.5M compared to PCP $4.0M.
- Income tax paid $0.45M compared to PCP Nil.
- Net investing cashflow $(0.1)M compared to PCP $0.1M.
- Financing cashflow after DRP/share placements and cash payments of dividends $(0.4)M.
- Net movement of cash $(0.6)M compared to PCP $0.2M.
- Net cash at the end of the period was $1.0M compared to PCP $0.6M.
- The Company had no bank or other financing or debt facilities (either undrawn or drawn) in place as at 31 December 2015.

Half-year to 31 Dec 2015

- Cashflow, trade receivables and forward cashflow
- At 31 December 2015 NTA included $7.2M of cash receivables linked to completion of major residential development projects.
- During the half-year the Company experienced an unusually low number of completions of major residential projects. This resulted in cash receipts of only circa only $0.25M of associated receivables (PCP circa $1.2M).
- The anticipated timing of completion and collection of the balance of these cash receivables is set out below:

Jun-16	Dec-16	Jun-17	Dec-17	Beyond
$1.4M	$1.3M	$3.2M	$0.7M	$0.6M

- The Company has a track record of 100% collection of these cash receivables since it commenced commercial operations in 2011.

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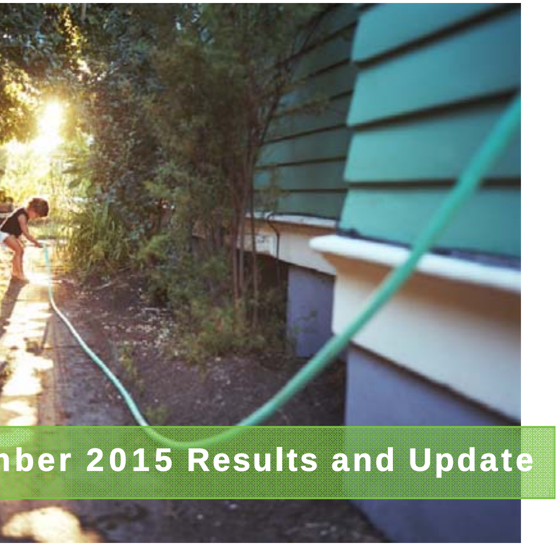
Half-year to 31 Dec 2015

- Operational progress during the half-year
- New wealth management plan engagements for a half-year up 62% to 227 engagements (PCP 140).
- Relocation of new head-office and support facility to increase Sydney capacity and prepare for support of franchise branch network.
- Advanced development of mysuper247 online SMSF setup and administration and trading platform. Launch expected in next 30-60days.
- Advanced preparations for rollout of franchised branch network with first branches expected to open mid 2016.
- Advanced planning for launch of mytax247.



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Growth Strategies

- Organic Growth and broadening distribution and client access
- Across all metrics we have enormous potential to grow by expanding marketing efforts, leveraging technology and broadening services to current lead and client base.
- In the core wealth management operations the Company retains an absolute commitment to centralised, structured, scalable processes and education & training ensure consistency of service delivery and outcomes.
- Our operational model is perfectly suited to franchising.
- Targeting 10 stores by end FY2017.
- Key capital city fringe and regional markets.
- Minimum $1.0M revenue expectation per shop front with a circa $0.35M minimum to EBIT.
- Leverage centralised lead generation and advice structure and control leases.
- Plan for rollout of 80-100 franchised branches over next 5-8 years

Growth Strategies

- Rollout of "fintech" services
  - Online personal advice expanding reach and leveraging centralised advice model.
  - Leverage current database of investors of in excess of 140,000 and leverage experience and success with digital marketing.
  - SMSF setup and admin (fragmented market) that generally offers no wealth management option. Mysuper247 will launch soon and the Company is targeting 1,000 members year 1.
  - Current SMSF members in excess of 1M with circa 70,000 new members each year according to ATO stats.
  - Online (personally assisted) tax returns generally narrowly focused and must achieve margin from online tax alone.
  - Mytax247 will provide a broad range of pricing and options and offer ultimate convenience.
  - General insurance and finance sales, digital wealth management and personal bookkeeping will be progressively rolled out and each provides the ideal entry point for full wealth management.

Growth Strategies

- Leveraging what exists
- Each of our growth strategies leverages existing assets, experience and operations and targets markets with natural existing demand.
- Existing profitable low-volume high-margin operations put us ahead of the start-up crowd and existing online players with our digital strategies.
- Low-cost low-risk new product and concept launches are possible due to this leverage.
- Incremental revenue to improve margins.
- Whilst digital services are expected to make meaningful contribution to revenue and profits in their own right, the up sell to fully-advised environment presents greatest opportunity.

Growth Strategies

- ## Acquisition Strategy
- We continue to explore acquiring businesses in financial planning, insurance, mortgage brokerage and tax & accounting that either share our vision for a *fresh approach* and help broaden our expertise and product offerings or in the alternative ones that we believe we can successfully transition to a *fresh approach*.
- Must be accretive to earnings or neutral with strong upside.
- Not dependent on these acquisition for growth.
- ## Successful acquisitions to date
- Moneytree Partners – shared our vision and brought expertise and operational capacity.
- Pink Diamond – successful renovation outcome.
- Digifi Group (Sharecafé and Sharescene) - complemented Wealthadviser.
- Property asset management agreement - (settlement pending).

Key drivers to remain

- Key drivers remain SMSF growth and residential real estate
- SMSFs are increasingly popular and relevant.
- SMSF members need and seek advice yet there are no dominant players.
- Annual new SMSF fund establishments running at circa 35,000 or circa 70,000 new members representing growth in the sector in excess of $12Bn each year without taking into account growth of existing funds and (net) contributions growth.
- Australian's are comfortable with residential investment property and it is a $1.3 trillion asset class yet there are no dominant advisors.
- Markets remain stable, investment continues.
- SMSF investment opportunity remains in place despite previous uncertainty created by FSI Final Report
- Negative gearing and CGT concessions will remain attractive regardless of stability or change in government.
- Profitability expected to continue and to grow.
- Dividend policy intended to remain and annual dividends to be paid as and when appropriate.
- Guidance will be provided to market as and when further certainty exists around timing of commencement of various initiatives that are expected to have a material positive impact on revenue and profits.

Spring FG HY to 31 December 2015

- Q & A