

Quarterly Cash Flow and Activities Report Appendix 4C

Quarter 1, Financial Year 2021

6th October, 2020

SelfWealth Ltd

Level 2, 613 Canterbury Road
Surrey Hills, 3127, Victoria, Australia



SelfWealth®

Trade smarter. Every time.

Our goal is to empower people to build their own wealth, which is why we've created a place where every investor can learn and benefit from the experience of a large community.

It's a revolutionary way to trade and it's more affordable, too.

SelfWealth. Trade smarter. Every time.

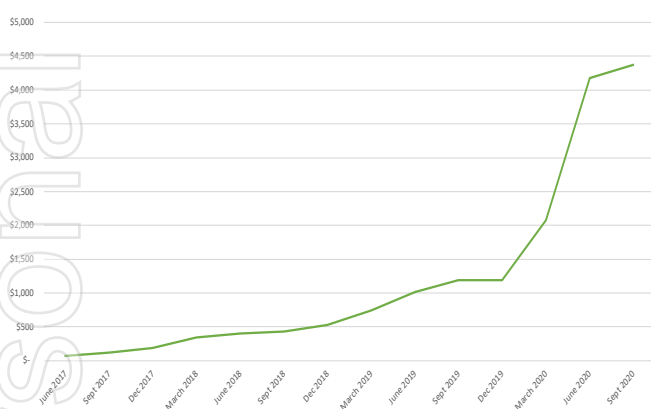
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Quarterly Activities Report

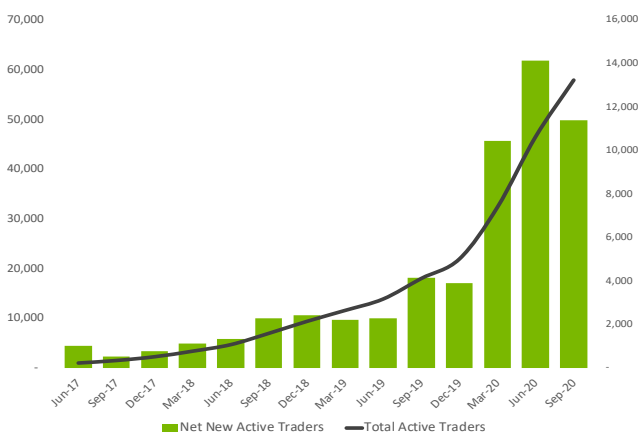
Highlights

- Record quarterly trade volume of 379k trades.
- Record monthly trade volume in September of 136k trades.
- Record quarterly operating revenue of \$4.37m.
- Second consecutive quarterly positive cash flow from operating activities, \$344k.
- Number of active traders reaches 57,816 at end September. Up 11,371 active traders for the quarter.
- Value of 'client cash held' increased over the quarter to \$409m.
- US equity trading on track to launch during December quarter.

Operating Revenue by Quarter ('000)



Active Trader Growth by Quarter



Melbourne, Australia – 6th October 2020: SelfWealth Ltd (ASX: SWF) ("SelfWealth" or "the Company") has released its first FY21 Quarterly Cash Flow and Activities Report. This report shows evidence of another quarter of strong growth in client numbers and operating revenue for the Company.

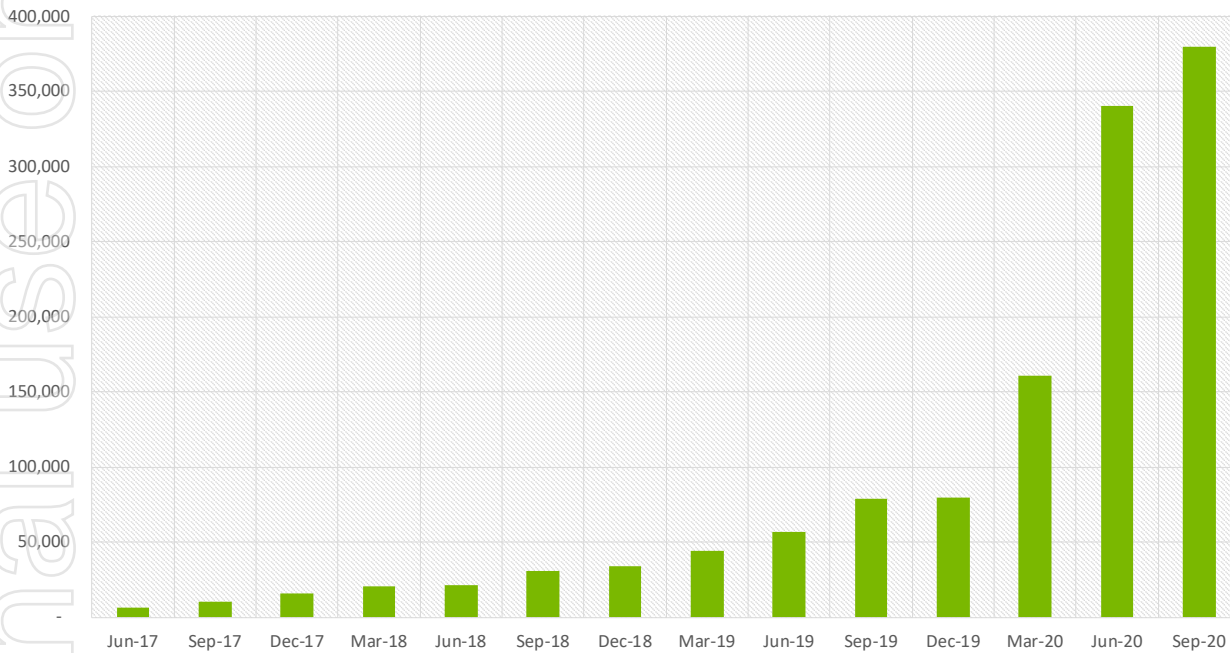
SelfWealth's Managing Director, Rob Edgley had this to say on the quarterly results, "SelfWealth continues to attract large numbers of new active traders to the retail trading platform with a net additional 11,371 active traders joining over the past three months. Indeed, month on month increases in net new active traders during August and September indicates that the trend for Australians and particularly younger Australians to search for investment opportunities in equity markets is firmly intact.

"We are glad the Company has been able to produce its second consecutive quarterly positive cash flow from operating activities. A \$344k positive operating cash flow has come about amidst increased investment in new products and new revenue streams during the quarter. Investment in US equity trading capability and an

entirely new SelfWealth mobile app for iOS and Android will ensure that SelfWealth's growth trajectory can continue over the coming quarters."

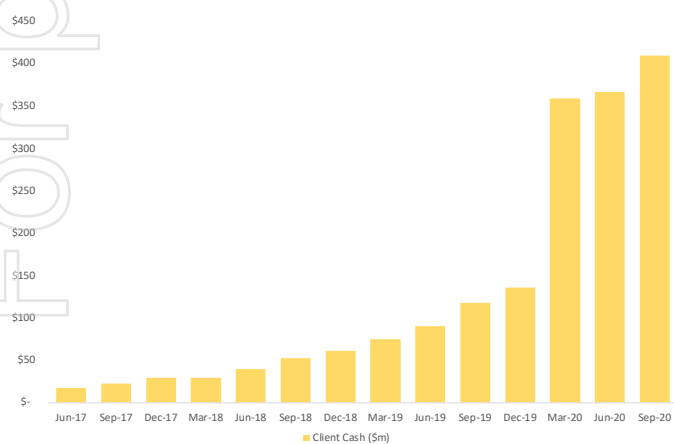
Key Performance Indicators

Trade Growth by Quarter

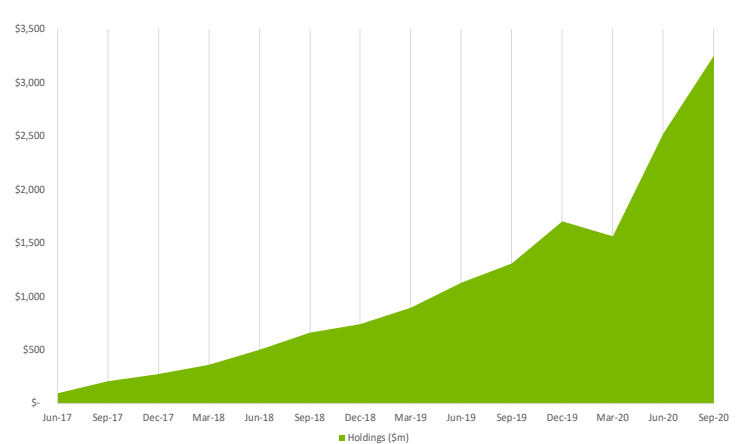


On the back of volatile equity markets over the quarter and with a contribution from another 11,371 net new active traders, quarterly trade volumes continue to increase, culminating in a record month for trades in September at 136,912 trades and a record quarter for trades at 379,530.

Total Client Cash by Quarter



Total Securities Held on HIN by Quarter



Despite 65% of total transactions on the platform being buy transactions over the quarter, total 'client cash held' on the platform increased to \$409m on the back of new client deposits.

The end of September total securities held on HIN rose to \$3.25bn, up from \$2.52bn, in line with a generally positive market over the full quarter and a continuation of new clients transferring their stock to SelfWealth from other brokers – this accounts for over 11% of all new clients.

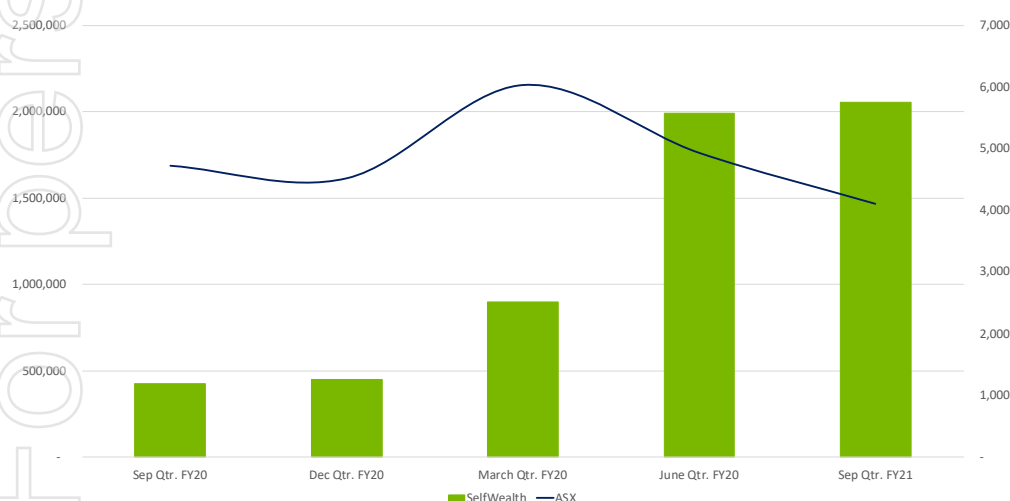
Market Share

Previously in the presentation of our annual results released on August 28 2020, we were able to confirm that as per the 2020 Investment Trends Online Broking Survey, as at June 30, 6% of all online investors use SelfWealth, up from 4% at the end of December 2019.

The increase in market share is also reflected in the percentage of overall equity trades on the ASX, as shown in the chart below. Whilst ASX total volumes have receded from all-time highs in March, SelfWealth has continued to increase its daily trading average, and as a result, also its percentage market share of all ASX trades. The graph below illustrates the gain in market share, with the Company's daily trade volume growing over the last two quarters, compared to a decline in total ASX trades.

Market share growth is driven by strong referrals from existing clients and an efficient marketing strategy, the combination of which continues to deliver low acquisition costs.

Average Daily Trades - SelfWealth vs Overall ASX Trades



Product and Technology Update

The US equity trading project team have been working tirelessly during the September quarter to meet our goal of launching trading in the December quarter. Work is progressing to plan and will see the platform go into beta

testing mode later in October with at least four weeks of testing before launching the trading capability to the SelfWealth community.

The highly-anticipated launch of US trading on SelfWealth allows investors to place trades on US and Australian markets in one place. Management is confident that the extremely competitive pricing structure – \$9.50 USD per trade and 60 bps on the foreign exchange spread – and other key features, such as a US cash wallet, will resonate with Australian investors.

The Company will deliver an industry-leading mobile trading experience on iOS and Android for SelfWealth clients before Christmas.

Balance Sheet

During the September quarter, 3.6m options in the Company were exercised for a value of \$894k. Proceeds received from options holders combined with positive cash flow for the quarter saw the balance sheet of the Company improve further. As of September 30th, the Company has a net cash position of \$6.49m and no outstanding debt.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in items 6.1 of the Appendix 4C incorporates directors fees, remuneration and superannuation at commercial rates.

Investor Enquiries

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Media Enquiries

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Sales Enquiries

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Robert Edgley, Managing Director of SelfWealth Pty Ltd has authorised the release of this announcement to the market.

Who is SelfWealth?

The Story

SelfWealth is the solution to a problem: how to provide a fair and simple service to Australian investors, that grants them access to some of the world's most cutting edge investment insights, without breaking the bank.

Since SelfWealth's humble beginnings in 2012, the company listed in late 2017 and introduced what is now known as Australia's fastest growing, only flat-fee share trading platform. The key offerings are the \$9.50 flat-fee brokerage and a community-driven insights tool that pools information from over 80,000 Australian investor portfolios.

This inquisitive company and its leadership continue to innovate and surprise the industry with new solutions to an age-old problem: how to trade smarter.

Product Suite



Share Trading Platform

Australia's most popular low-cost ASX trading platform.



Power of the Crowd

Actionable insights from over 80,000+ real investor portfolios that assist members in outperforming the market.



SelfWealth SMSF Leaders Fund

World-first Australian equities ETF driven by community data.



SelfWealth Adviser Platform

Introducing an industry-changing Adviser Platform for share trading.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

SelfWealth Limited

ABN

52 154 324 428

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,373	4,373
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,566)	(2,566)
(c) advertising and marketing	(162)	(162)
(d) leased assets	(23)	(123)
(e) staff costs	(894)	(894)
(f) administration and corporate costs	(419)	(419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	25	25
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	344	344
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(9)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	894	894
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	894	894

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,261	5,261
4.2	Net cash from / (used in) operating activities (item 1.9 above)	344	344
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	894	894
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,490	6,490

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,990	3,990
5.2	Call deposits	2,500	2,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,490	6,490

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

99

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount at 6.1 includes payment of directors' fees and salary of managing director.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

344

8.2 Cash and cash equivalents at quarter end (Item 4.6)

6,490

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

6,490

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 6 October 2020

Authorised by: The Board of SelfWealth Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

SelfWealth[®]

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