

Quarterly Cash Flow and Activities Report and Appendix 4C

Quarter 4, Financial Year 2021

12th July, 2021

SelfWealth Ltd

Level 2, 613 Canterbury Road

Surrey Hills, 3127, Victoria, Australia

SelfWealth®

Trade smarter. Every time.

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Helping Australians build wealth for almost a decade, through innovative technology, transparent pricing and support when our members need it.

SelfWealth.

Quarterly Activities Report

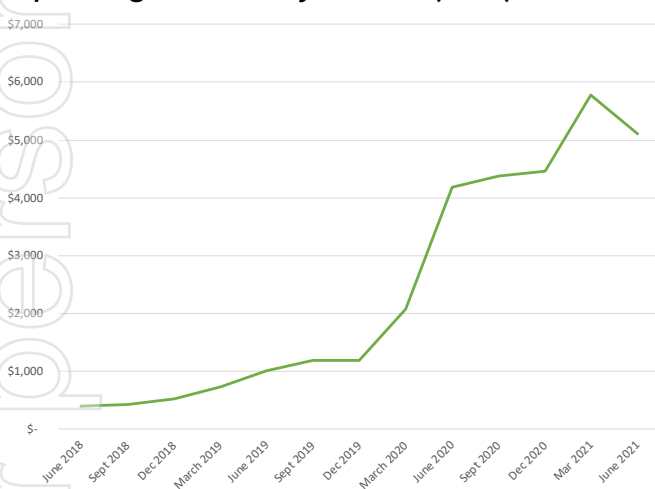
Highlights

- Quarterly operating revenue of \$5.11m. Second best quarter on record.
- Further growth in active traders increasing by 9,195 to 95,189.
- Quarterly trade volume of 357,974 for the quarter.
- Positive quarterly cash flow from operating activities of \$140k.
- Positive FY21 cash flow from operating activities of \$1.01m.
- Value of AUD 'client cash held' increases significantly to \$522m.
- Value of securities held on HIN increases to \$5.86bn.

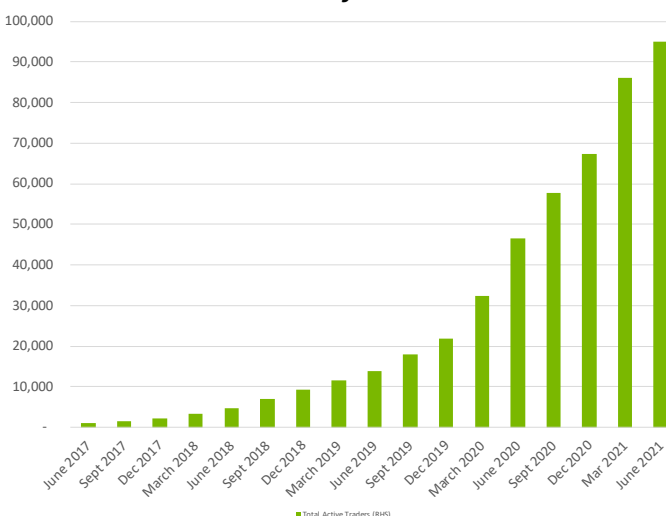
YOY Growth Rates

	Jun '20	Mar '21	Jun '21	YOY Change
Operating Revenue (m)	\$4.18	\$5.78	\$5.11	22%
Active Traders	46,445	85,994	95,189	105%
Quarterly Trades	340,405	514,246	357,974	5%
Client Cash (m)	\$366	\$452	\$523	43%
Securities Held on HIN (bn)	\$2.52	\$5.15	\$5.86	132%

Operating Revenue by Quarter ('000)



Active Trader Growth by Quarter



Melbourne, Australia – 12th July 2021: SelfWealth Ltd (ASX:SWF) ("SelfWealth" or "the Company") has released its fourth FY21 Quarterly Cash Flow and Activities Report.

This report shows another strong quarter of operating revenue – the second largest in the Company's nine-year history – and continued growth in active traders, with a significant increase in client cash and HIN based securities on the platform. These strong growth rates were achieved in a market with lower volatility and associated weaker quarterly trading volumes.

An 'active trader' is a portfolio that contains cash or stocks.

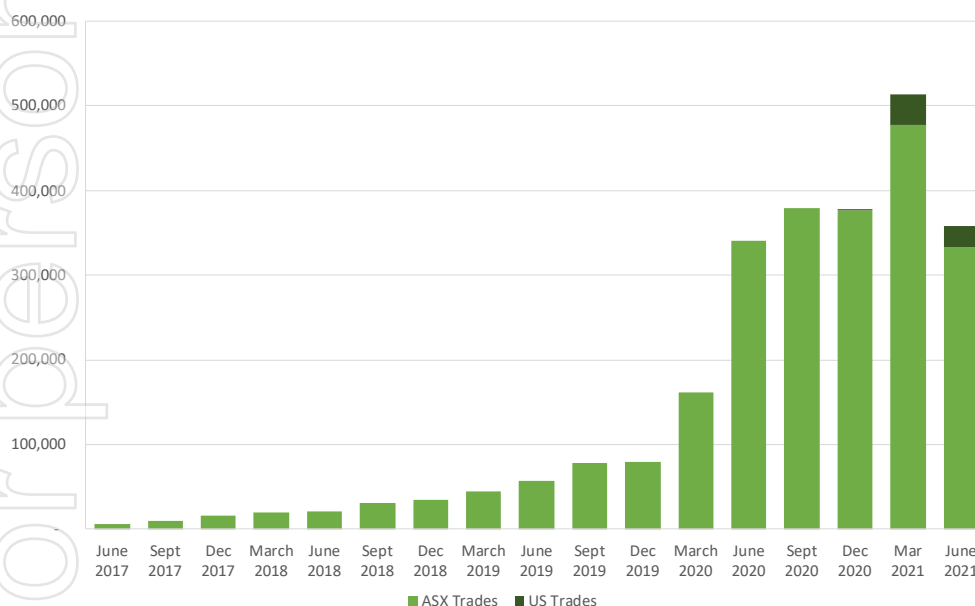
SelfWealth's growth strategy is to diversify revenue streams by offering a broad product portfolio to retail investors to support their wealth creation journey. SelfWealth is building a sustainable business model based on the legal ownership of shares under a HIN model, with diversified revenue streams that can continue growing in all market conditions.

In the June quarter, the Company started implementing a more aggressive marketing strategy and strengthened the management team, including the newly appointed CFO Mandy Drake, as well as senior technology and product hires.

SelfWealth CEO Cath Whitaker commented, "SelfWealth continues to experience double-digit growth in the number of active traders, and our member base is highly engaged with significant new customer acquisition growth from referral channels. We are very pleased that in a quarter with lower market volatility globally, our client base increased, and the cash balances and value of their HIN based securities on the SelfWealth platform grew strongly. Recent diversification of revenue streams has seen US brokerage and Foreign Exchange revenue and increased subscription collections assist in delivering a healthy revenue number for the quarter."

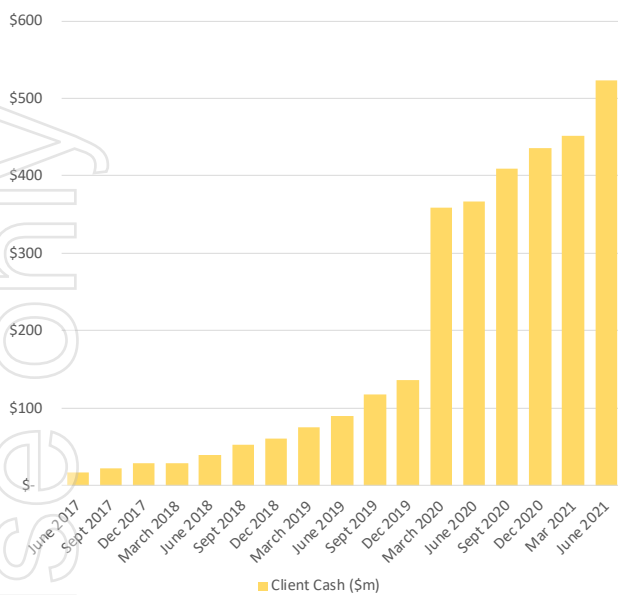
Key Performance Indicators

Trade Growth by Quarter

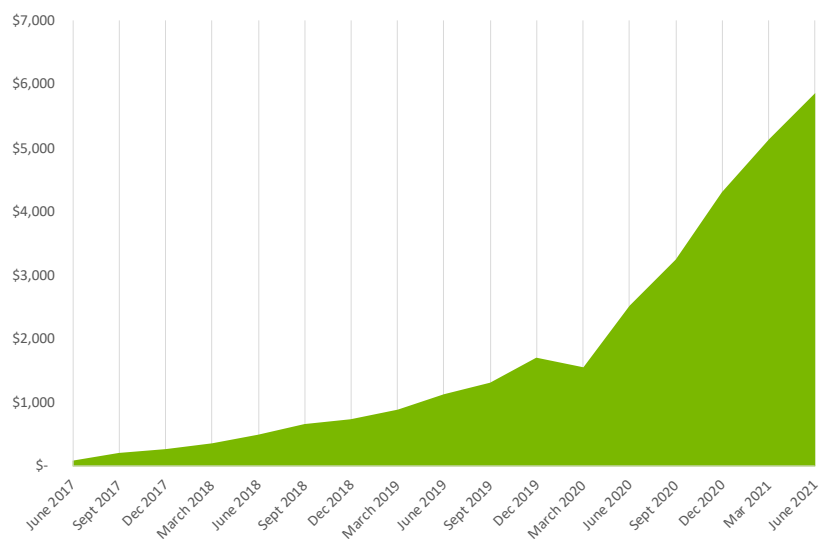


In the June quarter, the number of trades executed by clients decreased to 357k trades from a high of 514k in Q3 FY21. This was in line with an overall drop in equities trading across the ASX. The number of active traders trading US equities continues to grow, evidenced by a penetration rate of 29% in the existing customer base. This growth is anticipated to continue, and SelfWealth looks forward to further supporting increased volumes from US equities trading over the coming quarters. A total of \$65.4m was transferred between the AUD and USD cash accounts.

Total Client Cash by Quarter



Total Securities Held on HIN by Quarter



Total 'client cash held' in Australian dollar cash accounts on the SelfWealth trading platform finished at a record high of \$523m. High cash balances suggest that retail investors are somewhat wary of the high valuations in the market at present and have taken some cash out of the market in anticipation of better opportunities in the future.

At the end of June, total securities held on HIN finished at \$5.86b, up from \$5.15bn at the end of March, rising in line with the market over the quarter alongside the continuation of new clients transferring their securities to SelfWealth from other brokers.

Product and Technology Update

As a leading innovator in Australian fintech, SelfWealth remains committed to delivering client-centric experiences. Over the past quarter, SelfWealth has continued to invest for growth. These investments support continuous improvement in the end-user experience for SelfWealth members and enable the Company to continue challenging the incumbent bank-backed online investment platforms in Australia.

SelfWealth has a scalable platform for product innovation and an engaged customer base with an appetite for new products. The June quarter saw additional features added to the native iOS and Android mobile apps. SelfWealth members can now also invest on behalf of those under 18, launching minor's accounts during the quarter. Feedback on the new account type has been very positive, with members typically investing in long-term investment choices such as ETFs.

In FY22, the core priority for SelfWealth is to invest for the next phase of growth to continue market share expansion. A detailed Product Roadmap has been developed based on comprehensive customer surveys and in-depth market research to ensure a customer-centric approach to innovation.

SelfWealth is committed to providing an exceptional customer experience and has already built out robust back office systems and processes, as well as invested in personnel, to support this. The marketing budget has increased significantly to develop a brand strategy that will get cut through in the current competitive landscape.

SelfWealth will be targeting high-demand features and products initially. A key area of improvement identified to ensure the platform's longevity and customer retention is the user experience (UX) across the desktop website and mobile. Instant payments will be the first feature to be deployed in Q1 FY22. A beta-test on adding live data to the platform has concluded, with an expected rollout to members Q1 FY22.

SelfWealth is currently negotiating with several cryptocurrency exchanges to add a cryptocurrency investment option to the platform's product suite. SelfWealth's strategy is to be the first investment platform to offer CHESS sponsored share trading on the ASX, US trading and cryptocurrency access to Australian investors.

SelfWealth is on track to rollout out a new cryptocurrency product in Q2 FY22.

Following on from the success of US trading on SelfWealth, leveraging the existing partnership with Phillip Capital, the Company will be providing access to additional international markets, including Hong Kong. This will add additional FX and brokerage revenue streams, where investors are doing this elsewhere. Additional international markets are expected to be added in Q2 FY22.

We are also actively considering new product offerings and innovations in IPOs and options in the future.

Balance Sheet & Cashflow

The quarterly cash flow from operating activities was a positive \$140k for the June quarter.

This figure added to the full-year result culminating in a \$1.01m positive cash flow from operating activities for the year.

Cash and cash equivalents at the end of the quarter were \$7.525m. Positive Cash flow from operating activities combined with the exercise of options during the year saw cash at bank end the financial year \$2.26m higher than last year. The Company continues to have no outstanding debt.

In accordance with listing rule 4.7C, payments made to related parties and their associates, including in items 6.1 of Appendix 4C incorporates Directors fees, remuneration and superannuation at commercial rates.

Investor Enquiries

Cath Whitaker, CEO

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Media Enquiries

Jarrod Purchase, Head of Marketing

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Cath Whitaker, CEO of SelfWealth Pty Ltd, has authorised the release of this announcement to the market.

SelfWealth

A Leading, Australian Fintech

The Story

Since its inception in 2012, SelfWealth has been designed to help Australians build wealth. We have quickly become Australia's most popular independent online trading platform and connect everyday Australians to wealth creation tools. We do so with a price-conscious yet high-value mindset and put security at the centre of our decisions.

Our 95,000+ highly-engaged active investors benefit from:

- Access to flat-fee AUD9.50 ASX trades and USD9.50 US trades
- HIN-based, legal ownership on ASX investments
- Real-time pricing and detailed stock reports
- The ability to follow and track successful investors in the community
- Cash accounts audited regularly and backed by ANZ security
- Bi-weekly unique insights on market trends

Retail Investors: Australian, Low-cost and Safe

SelfWealth first launched a low-cost, flat-fee share trading platform in 2017. Since then, the platform has followed a consistent approach: providing responsible, secure and price-conscious investment solutions for retail investors. The retail trading platform now boasts two new native mobile apps, the recent addition of kids accounts so investors can invest on behalf of those under 18, and in late 2020, access to the US stock market.

Advisers: Innovative, Safe and Transparent

The SelfWealth Adviser Platform enables financial advisers and other financial intermediaries with innovative features and functionality to manage client direct equity portfolios. The SelfWealth Adviser Platform now has 62 Australian Financial Services Licensees registered and 130 financial advisers. The attraction is clear: no commissions, percentage fees or other administration and transaction fees, allows it is a uniquely compelling offer for both advisers and their clients

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 June 2021

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	5,109	19,718
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,857)	(11,608)
(c) advertising and marketing	(360)	(1,183)
(d) leased assets	(35)	(129)
(e) staff costs	(1,165)	(3,872)
(f) administration and corporate costs	(558)	(2,118)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	179
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	140	1.013
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(26)	(51)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(0)	(525)

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	(26)	(576)

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	-	1,827
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	-	1,827

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,411	5,261
4.2	Net cash from / (used in) operating activities (item 1.9 above)	140	1,013
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	(576)

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)	-	1,827
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,525	7,525

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	3,025	2,911
5.2	Call deposits	4,500	4,500
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)	7,525	7,411

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	140
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,525
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	7,525
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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	
8.6.2 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	
8.6.3 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	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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: 12th July 2021

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.

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