

Quarterly Cash Flow & Activities Report and Appendix 4C

Q2 FY22

17th January, 2022

SelfWealth Limited
ABN 52 154 324 428
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Melbourne, Victoria, 3000

SelfWealth[®]

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Quarterly Activities Report

Growing Market Share and Diversifying Revenue

Highlights

- **Growing Market Share:** Active Traders¹ up 9.5% quarter on quarter to 117,674 and securities held on HIN up 17% quarter on quarter to \$7.97B, with SelfWealth's market share growth in the past six months confirmed by the recent Investment Trends report.
- **Signed agreement with crypto exchange:** Signed a Heads of Agreement with BTC Markets to provide access to select cryptocurrency assets on the SelfWealth platform.
- **Record activity levels in November:** Second highest number of ASX trades in a month and highest number of unique portfolios trading.
- **Diversifying revenue:** Revenue from US share trading now accounts for over 10% of total SelfWealth revenue, in line with strategy to diversify revenues by product and geography.
- **Attracting top industry talent:** Key hires in design, user experience and marketing and the establishment of offshore teams, which builds new capability whilst providing a scalable delivery model.
- **Executing on the product roadmap:** First Australian retail platform to offer USA Early Access and the launch of Hong Kong international trading is on track for this quarter.

Melbourne, Australia – 17th January 2022: SelfWealth Ltd (ASX:SWF) (“SelfWealth” or “the Company”) has released its Q2 FY22 Quarterly Cash Flow and Activities Report.

Key Financial Metrics

	Q2 FY21	Q1 FY22	Q2 FY22	YOY Change
Operating Revenue (m)	\$4.46	\$5.50	\$5.07	14%
Active Traders	67,349	107,461	117,674	75%
Quarterly Trades	378,430	435,620	421,764	11%
Client Cash (m)	\$435	\$600	\$646	49%
Securities Held on HIN (bn)	\$4.30	\$6.82	\$7.97	85%

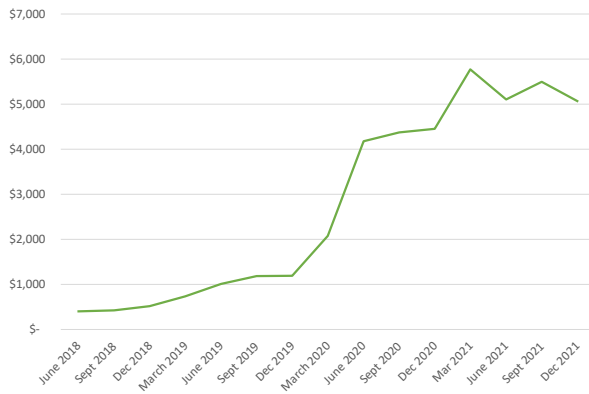
SelfWealth Managing Director and CEO, Cath Whitaker, commented, “Our team is committed to building a sustainable wealth creation platform with diversified revenues and we are focused on strategic initiatives to attract and retain retail investors, including new education content, consumer behaviour analytics and improved user experience. We are very pleased to see that our market share growth over the past six months has been confirmed by the independent Investment Trends report for July to December 2021², in a competitive market environment, showing our strengthened position as the fourth largest wealth creation platform in Australia.”

¹ Active Traders are portfolios that are ready to trade, with cash and/or equities in their portfolio

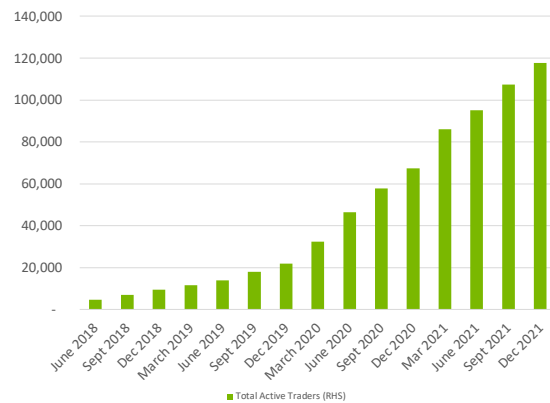
² Investment Trends, 2021 H2 Australia Online Investing Report. 20% growth in primary relationships identified between reporting periods.

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Operating Revenue by Quarter ('000)



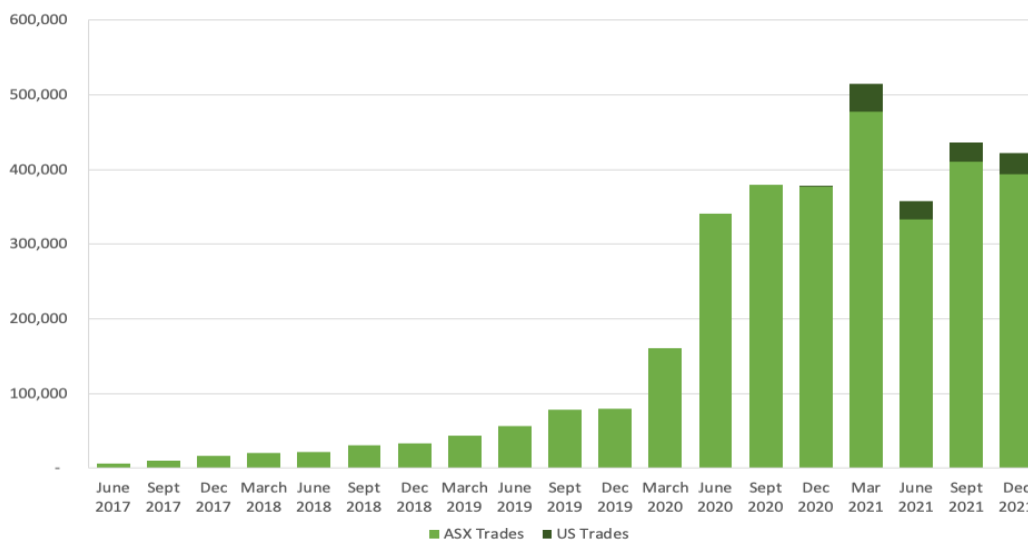
Active Trader Growth by Quarter



In Q2 FY22, Active Traders were up by 10,213 to 117,674, which was a pleasing result in a competitive market for customer acquisition. Operating revenue decreased slightly to \$5.07m, down from \$5.5m in Q1, primarily due to customer acquisition-led promotional activity in November and December offering free brokerage on 'buys' for Exchange Traded Funds (ETFs).

Over the past year, SelfWealth started diversifying revenue streams across different exchanges. In Q2 FY22, total receipts from US trading represented over 10% of revenue, with 34% of total Active Traders having added US trading to their portfolios as at 31 December 2021.

Trade Growth by Quarter

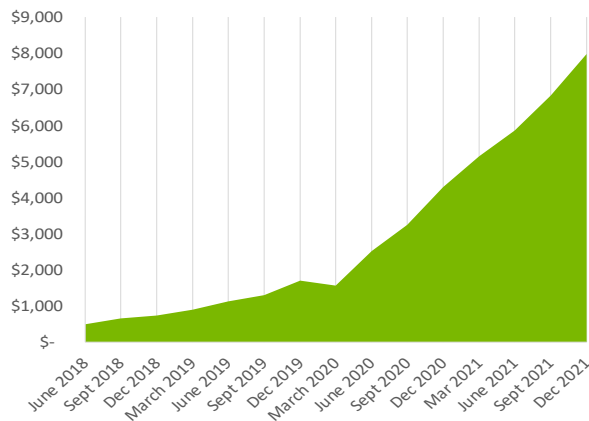


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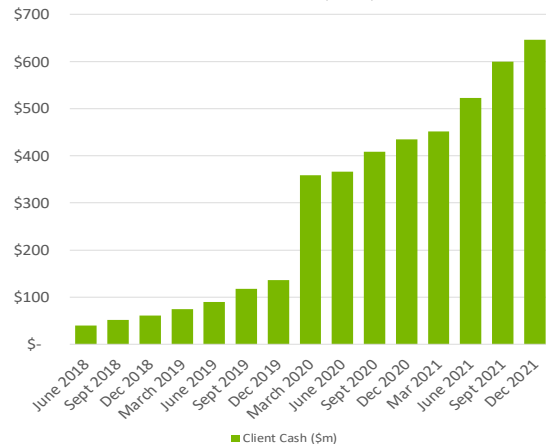
The number of trades executed during the quarter was 421,764, down 3% quarter on quarter, and up 11% year on year. The second quarter is a seasonally slower trading quarter with the holiday season disrupting retail trading activities in December.

In November 2021, SelfWealth recorded the second highest number of ASX trades in a month and the highest number of unique portfolios trading.

Total Securities Held on HIN (\$B)



Total Client Cash (\$m)



Client cash on the SelfWealth platform increased 8% quarter on quarter to \$646m (up 49% year on year) and securities held on HIN increased by 17% quarter on quarter to \$7.97b (up 85% year on year).

SelfWealth continues to gain market share in a competitive market by attracting a high value, engaged customer base. Over the past six months, SelfWealth has implemented a range of strategic initiatives to increase the number of active trading portfolios, invest in data analytics and build engaging educational content for retail investors.

Signed agreement with crypto exchange

SelfWealth has executed a Heads of Agreement with BTC Markets, Australia's largest and most liquid cryptocurrency exchange to provide access to select cryptocurrency assets via the SelfWealth platform. SelfWealth aims to be the first Australian-based online platform to combine direct Australian equities, US equities and cryptocurrency in a single account on the one wealth creation platform.

This product offering is in response to overwhelming demand from SelfWealth's customer base and ongoing retail investor demand in Australia. The addition of a cryptocurrency asset class to the SelfWealth platform will further enhance revenue diversification. A competitive percentage fee will be applied to cryptocurrency trading volumes undertaken on the SelfWealth platform.

The design and development of cryptocurrency on the SelfWealth platform is underway. The launch will be subject to satisfying the compliance requirements of all relevant authorities and the successful completion of development and testing.

SelfWealth Managing Director and CEO, Cath Whitaker, commented, "SelfWealth is excited to be working with BTC Markets, an organisation that is known for its professionalism,

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innovation and deep commitment to the Australian crypto industry. We remain focused on building out a premier wealth creation platform, that retail investors can trust.”

Ongoing Product Innovation

SelfWealth members have responded positively to instant deposits, live pricing and ESG data which were all deployed since September 2021. Q2 saw the deployment of Chi-X ETF access and additional US trading features, including pre-market access and advanced order types.

The launch of Hong Kong international trading is on track for this quarter.

Balance Sheet & Cashflow

The quarterly cash outflow from operating activities was \$2.4m for the December quarter, up from \$1.1m in Q1, primarily driven by an increase in quarterly staff costs to \$2.6m (up from \$1.7m in Q1). This is in line with the Company’s strategy to attract key talent and to establish offshore teams.

Cash and cash equivalents at the end of the quarter were \$14.9m. 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 incorporate Director’s fees, remuneration and superannuation at commercial rates.

Investor Inquiries

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Media Inquiries

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The Board of SelfWealth Ltd has authorised the release of this announcement to the market.

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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")

31 December 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	5,074	10,555
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,230)	(6,071)
(c) advertising and marketing	(987)	(2,060)
(d) leased assets	(21)	(56)
(e) staff costs	(2,550)	(4,200)
(f) administration and corporate costs	(728)	(1,738)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	26
1.8 Other (provide details if material)	-	2
1.9 Net cash from / (used in) operating activities	(2,431)	(3,523)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(156)	(192)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(55)	(55)

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	(211)	(247)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,736
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	50
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(661)
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	(21)	11,125
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,543	7,525
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,431)	(3,523)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(211)	(247)

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

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)	(21)	11,125
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	14,880	14,880

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	4,380	5,543
5.2	Call deposits	10,500	12,000
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)	14,880	17,543

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	122
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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.

7. Financing facilities <i>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.</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)	(2,431)
8.2 Cash and cash equivalents at quarter end (item 4.6)	14,880
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	14,880
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.1
<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: 17th January 2022

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.