



Quarterly Activity Report

Cashwerkz.

Cashwerkz is pleased to provide an update on its activities for the quarter ended 30 June 2021.

28 July 2021: ASX Market Announcement.

Cashwerkz Limited (ASX:CWZ) (ABN: 42 010 653 862) is pleased to provide an update on its activities for the quarter ended 30 June 2021.

This announcement was approved for release by the Board of Directors.

For more information please contact:
Jon Lechte – Chief Executive Officer
e: shareholders@cashwerkz.com

The Group consists of the following companies:

- Cashwerkz Limited ABN 42 010 653 862 AFSL 260033
- Cashwerkz FI Limited ABN 86 111 273 048 AFSL 283119
- Cashwerkz Technologies Pty Ltd ABN 70 164 806 357 AFSL 459645
- Trustees Australia Limited ABN 63 010 579 058 AFSL 260038, and
- FundIncome Pty Ltd ACN 643 600 088.

Payments to related parties of the entity and their associates – Section 6

With reference to payments to related parties (Section 6 of the attached Appendix 4C), item 1 comprises payments to directors and their associates and to the Group CEO of a total of \$160,592, including director fees of \$64,500, salaries (including superannuation) of \$50,001, and interest on issued notes of \$19,282 and interest on an unsecured loan of \$26,809. Item 2 is comprised of payments to Fortlake Asset Management Pty Ltd of \$66,571 under an agreed loan facility.

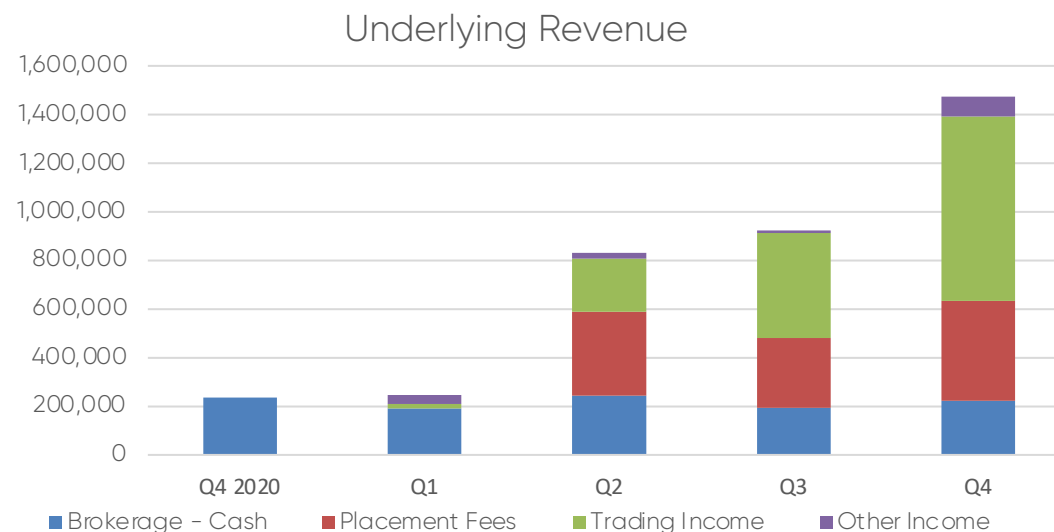
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Q4 Highlights.

We are pleased to highlight a number of achievements over the past quarter.

- Q4 YoY operating revenue increased 521% and quarterly revenue increased 61%
- On track for July revenue to reach \$700,000 and mandated DCM transactions to be executed in August
- Announced the changing of our name to; Income Asset Management Group*
- Completed a \$14m capital raise*
- Completing investment in Tactical Global Management Ltd (TGM)*
- Bond trading volumes are showing strong growth
- Fortlake Asset Management is gaining scale with access to key platforms

*Subject to Shareholder approval at General Meeting.



Our vision.

To provide investors and portfolio managers with the most trustworthy and capable platform for research, execution and management of their income investments.

Our vision explains not only who we are, but also who we are not.

We are a client solutions based company that provides the right alternatives to income investors, to suit their needs and capabilities, delivered at the right price. We are not a company looking to sell investments to people who may not understand them.

The soon to be re-branded Income Asset Management Group (IAM) is authorised to provide general advice to investors, and offers investment capability across a wide range of direct assets and asset management alternatives.

Through our investment in Tactical Global Management Ltd (TGM), we will also be able to offer investors access to equity investments and a sophisticated FX capability.

To articulate our refreshed vision and growing business capabilities to the market, we will soon change our name.*

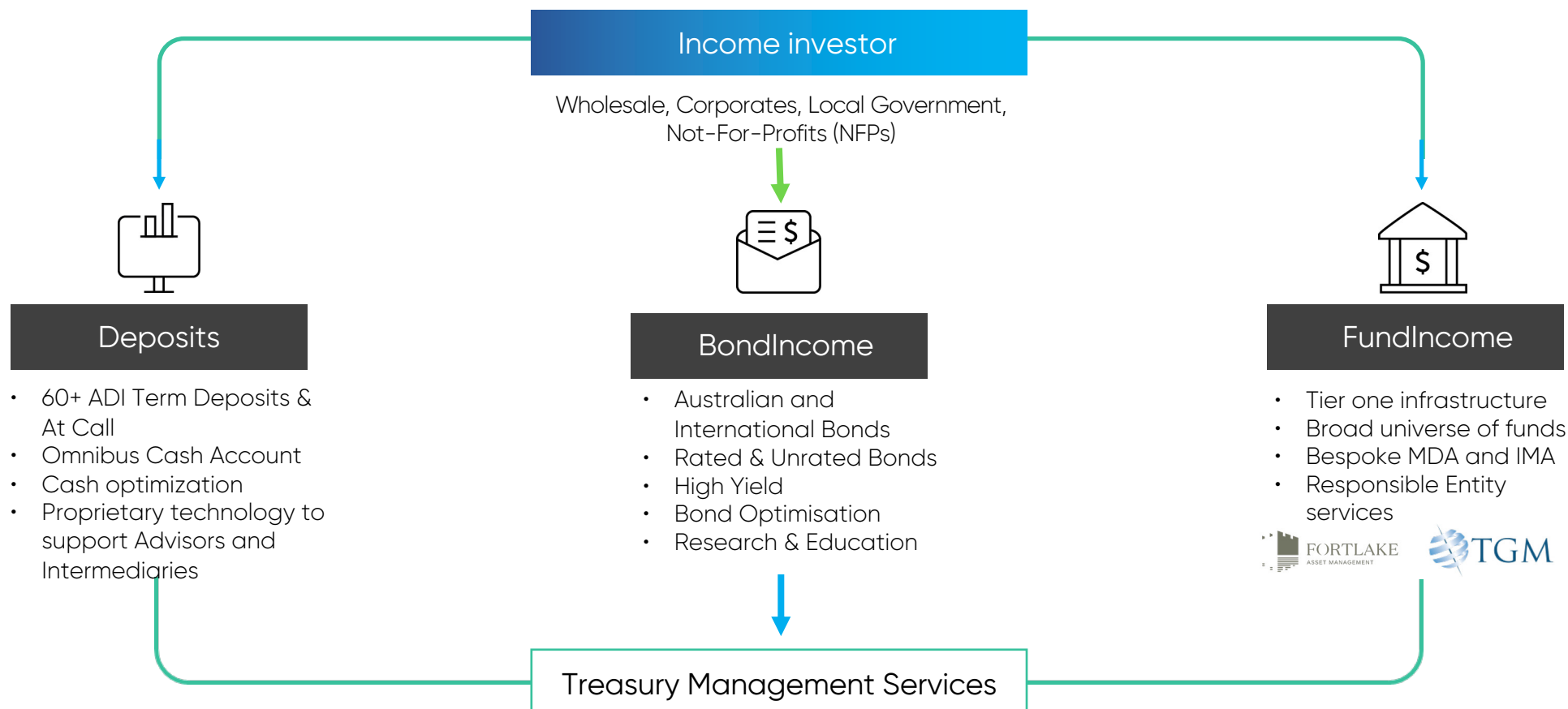
***Income Asset
Management***

*Subject to shareholder approval at General Meeting.

A complete income investment platform.

Our revenue and client eco-system supports both direct and managed investments across cash, fixed income and other defensive assets.

Our offering as developed today. Our investment in TGM will further extend our capabilities.



Business update.

Our progress.



Q4 Financial Highlights.

Q4 YoY operating revenue

521% increase

Q4 v Q3 highlights

Underlying quarterly revenue

61% increase

Quarterly bond clients onboarded

23% increase

BondIncome FUA

288% increase

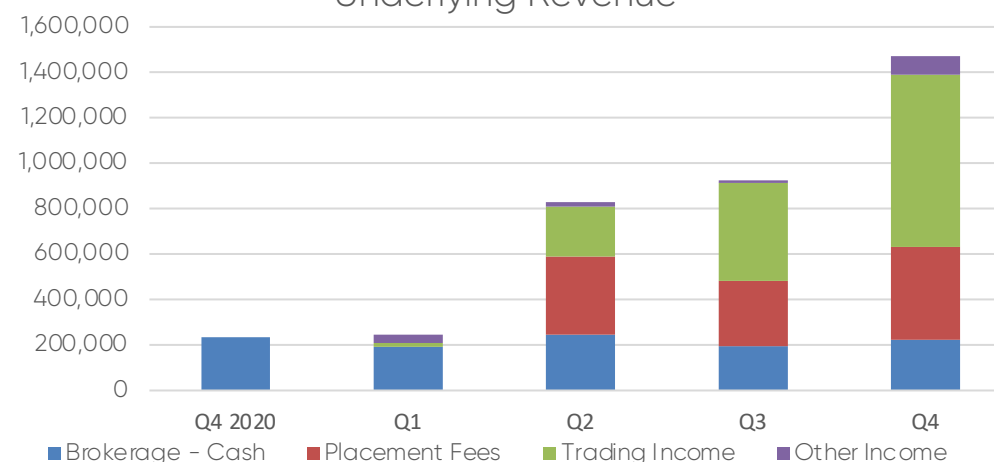
Secondary trading

76% increase

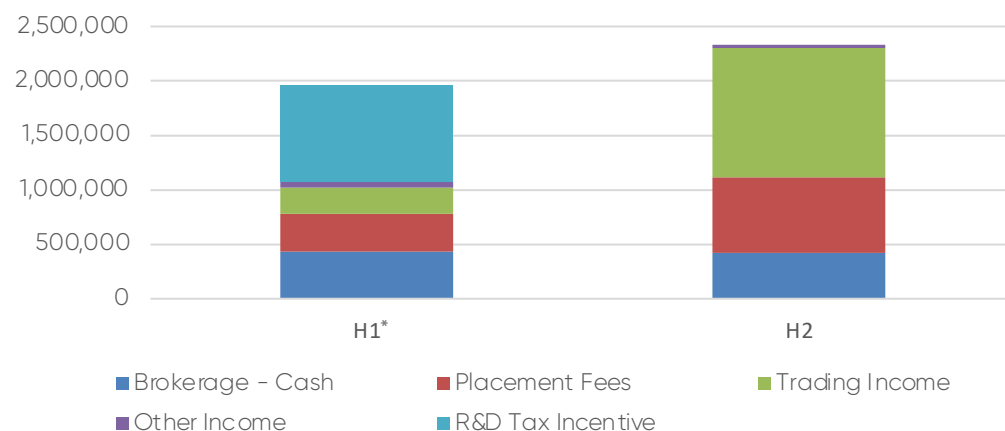
Operating cost cash outflows

6% increase

Underlying Revenue



Gross Revenue



*H1 includes one-off R&D Grant.

Financial highlights.

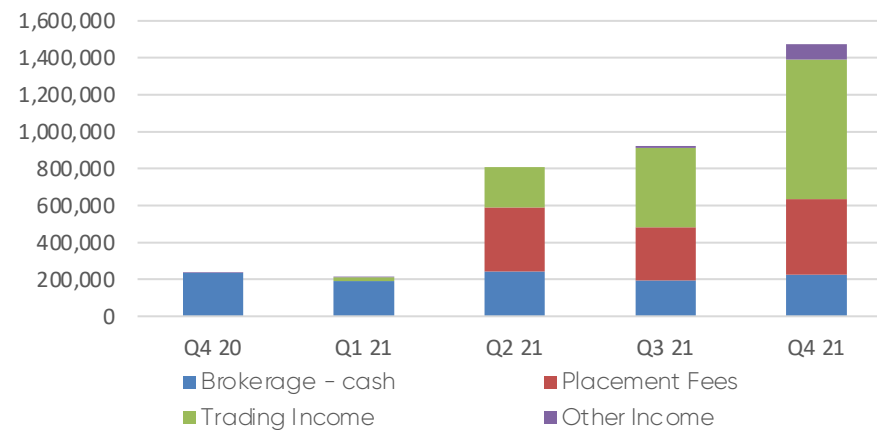
We're re-engineering our business to access multiple revenue sources with significant growth potential.

Our financial position in Q4 reflects strong momentum in our bond business, and stable revenue from our cash deposit division, despite the persistent low-interest environment.

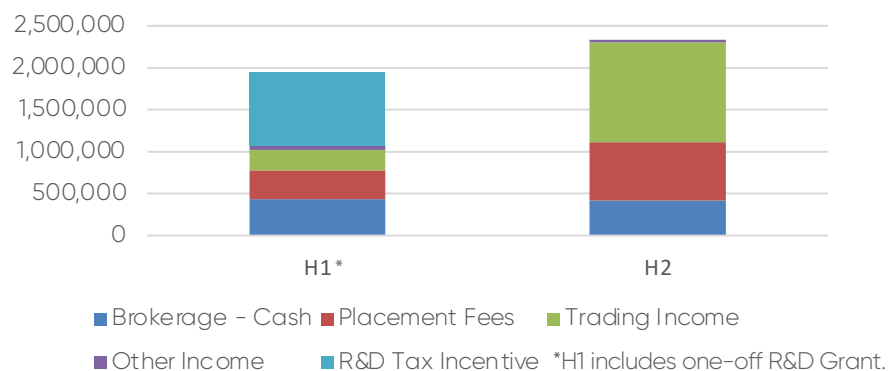
Underlying revenue for the quarter and the year, excluding the one-off R&D grant, shows a transformational change in the capability of the business – with a 521% increase year-on-year.

* Excludes one-off items

Underlying Revenue*



Gross Revenue



Financial highlights, cont.

A \$14m capital raise was completed in the quarter.

The recently launched Cash Management Account is expected to grow funds on-platform in coming months and improve services to our trading clients and advisers.

The operating cost cash outflows of the group increased 6% for the quarter, reflecting continued investment in our growth and focus on cost-management.

A \$14m capital raise was completed in the quarter and is subject to shareholder approval in August. This was in part to finance the purchase of a 25% interest in Tactical Global Management Ltd.

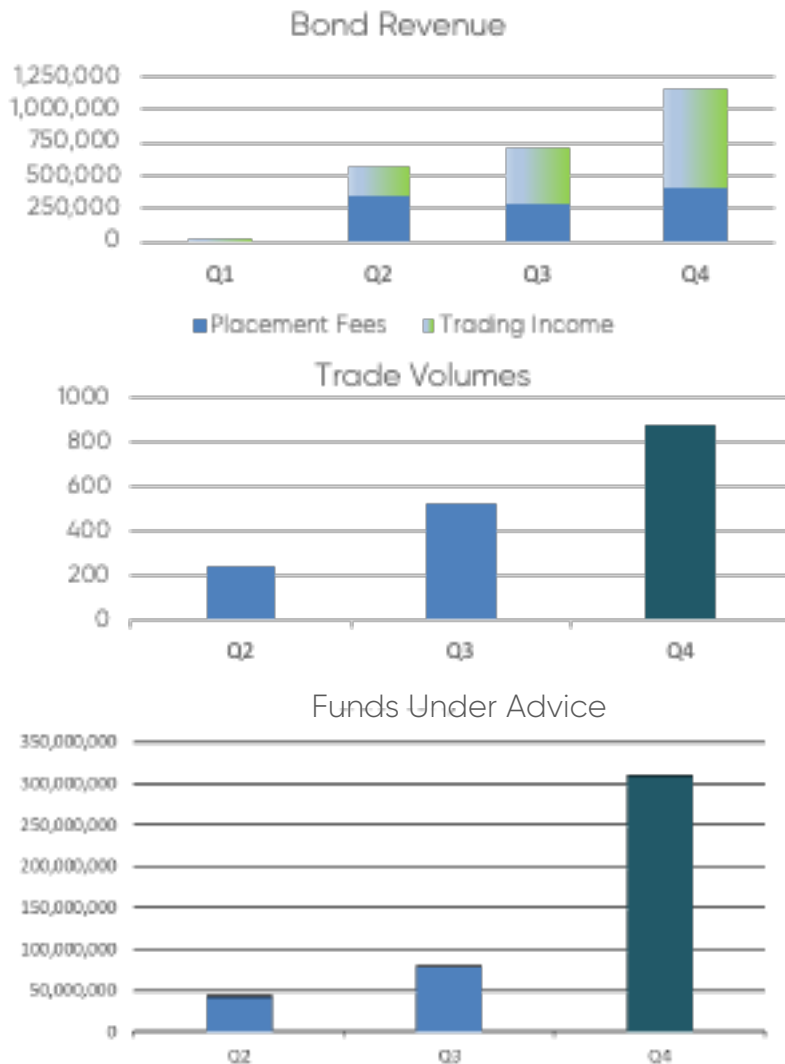
The balance of the raise is to fund our investment in building Australia's go-to company for income investments.

The group currently holds an estimated 6.8 quarters of funding.

We are on-target to generate on average \$1 million revenue per month in FY22.

BondIncome.

QoQ growth continued with a 67% increase in trade numbers and 288% increase in FUA.



Q4 Highlights

Continued investment in our client service capability.

- Launched the BondIncome Cash Management Account (CMA) offering upto 0.40% at call
- Online Client Platform, which enables customers to securely manage their holdings and CMA
- Partnership with The Smith Family: BondIncome is donating \$150 for every account opened

Primary issues completed.

- MoneyMe 8.25% Secured (HOLD-CO) – a market first for the sector and subsequent increase
- BNK Bank BBSW+5.40% 1/05/2031 subordinated note.

Deposits.

A stable business and enabler of new growth opportunities.

Our business model

- A revenue model based on brokerage and management fees
- Our clients include corporates, Not-For-Profits (NFPs), family offices and semi-government authorities
- 170+ middle market clients, multiple platforms and over 40 advisor groups

Our services

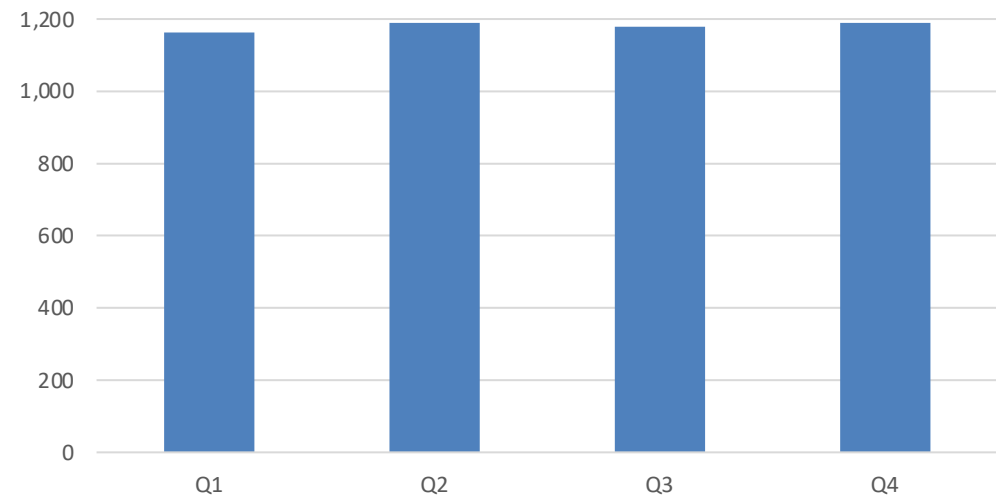
- Omnibus cash account with a major bank offering investors up to 0.40% interest at call
- Treasury Management Services
- Risk and liquidity management
- Bespoke financial instruments providing enhanced yield
- Legal structures to support investment mandates
- Access 60+ global and domestic ADIs, both rated and unrated
- Deposit portfolio optimisation and managed portfolio services

Deposits, cont.

Q4 Highlights

- Treasury Management Services is currently pitching for over \$4bn in mandated funds, across institutions, aged care and Not For Profit groups
- We have launched the BondIncome Cash Management Account (BICMA). This provides an alternative for the current At Call bank solutions, enhancing the client's overall investment experience.

Deposit Funds on platform



FundIncome.

Asset Management investor for high-quality fund managers with an income theme.

Business model

- We are a fund incubator enabling quality fund managers to achieve their client and business goals
- Trustees Australia has been providing responsible entity services since 1987

Our services

- We provide a bespoke service for top-tier investment managers looking to establish their own funds
- We partner with global providers to empower fund managers to succeed
- We take care of day-to-day management allowing fund managers to focus on what they do best
- We support new managers with working capital and equity investment so they can scale up quickly

FundIncome, cont.



- Conducting confidential discussions with selected institutional investors
- Achieving solid month-on-month inflows
- Appointed as underlying fund manager for new millennial focussed investment platform – Blossom



- Accepted on major platforms:
 - HUB24
 - Praemium
 - Powerwrap
 - Netwealth



- Subject to shareholder approval Cashwerkz Ltd will take a 25% investment in Tactical Global Management Ltd (TGM)
- Founded in 1997
- \$29 billion in funds under management
- Significant opportunity to enhance distribution of TGM Equity overlay funds
- New product opportunities in ESG and SDG funds

Thank you.

Appendix 4C

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

Name of entity

Cashwerkz Limited

ABN

42 010 653 862

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		
1.1.1	Receipts from customers and other sources of income	463	1,701
1.1.2	Net proceeds from sale of financial instruments	637	1,308
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(741)	(2,577)
	(c) advertising and marketing	(42)	(145)
	(d) leased assets	(48)	(123)
	(e) staff costs	(1,547)	(6,326)
	(f) administration and corporate costs	(604)	(2,117)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(105)	(199)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,087
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,986)	(7,390)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(20)	(121)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
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	7	(93)
2.3	Cash flows from loans to related party	(67)	(501)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(80)	(715)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,970	5,970
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(317)	(317)
3.5	Proceeds from borrowings	1,546	10,154
3.6	Repayment of borrowings	(1,527)	(5,641)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – repayments of lease principal	(84)	(265)
3.10	Net cash from / (used in) financing activities	5,588	9,901

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,508	4,234
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,986)	(7,390)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(80)	(715)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,588	9,901
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,030	6,030

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	6,030	2,508
5.2	Call deposits	-	-
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)	6,030	2,508

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	(161)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(67)
<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. 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	2,500	-
7.2	Credit standby arrangements		
7.3.1	Other – Issued notes	4,500	4,500
7.3.2	Other – bond trading settlement (DVP) facility	5,000	-
7.3.3	Other – Insurance funding	30	30
7.4	Total financing facilities	12,030	4,530
7.5	Unused financing facilities available at quarter end		7,500
7.6	<p>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.</p> <p>7.1 Jon Lechte – Unsecured facility to be used to purchase inventory or facilitate settlements for the Bond Income business. Interest rate of 5.01% and repayment with 30 days' notice.</p> <p>7.3.1 Issued notes – Unsecured facility. Interest rate of 6% and repayment date of 24 December 2023.</p> <p>7.3.2 Bond trading settlement (DVP) facility – Secured over the traded securities. Interest rate of 3.5%, settled up to T+5.</p> <p>7.3.3 Monument Funding – Unsecured facility. Interest rate of 3.35% and repayment date of 17 December 2021.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,986)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,030
8.3	Unused finance facilities available at quarter end (item 7.5)	7,500
8.4	Total available funding (item 8.2 + item 8.3)	13,530
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.8
	<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	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer:</p>	

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:

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:

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.

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: 28 July 2021

Authorised by: By the Board of Directors

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.