

Interim Report – 31 December 2021

SelfWealth Limited
ABN 52 154 324 428

Level 7, 130 Lonsdale Street
Melbourne, Victoria, 3000



SelfWealth.

Trade smarter. Every time.

SelfWealth Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	SelfWealth Limited
ABN:	52 154 324 428
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	17.7% to	9,924,867
Loss from ordinary activities after tax	up	458.9% to	(2,419,940)
Loss for the half-year	up	458.9% to	(2,419,940)

Explanation of results

An explanation of the key financial elements contributing to the revenue and result above can be found in the review of operations included within the directors' report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>5.60</u>	<u>2.78</u>

4. Distributions

No dividends have been paid or declared by the Company for the current financial period. No dividends were paid for the previous financial period.

5. Other information required by Listing Rule 4.2A

N/A

6. Interim review

The financial statements have been reviewed by the Company's independent auditor without any modified opinion, disclaimer or emphasis of matters.

SelfWealth Limited

ABN 52 154 324 428

Interim Report - 31 December 2021

**SelfWealth Limited
Corporate directory
31 December 2021**

Directors	Mr Robert Edgley - Non-Executive Chairman Mr Tony Lally - Non-Executive Director (retired 21 October 2021) Mr John O'Shaughnessy - Non-Executive Director Mr Tam Vu - Non-Executive Director Ms Catherine Whitaker - Managing Director and CEO (appointed director on 6 September 2021)
Company secretary	Ms Mandy Drake
Registered office and principal place of business	Level 7, North End, 130 Lonsdale Street Melbourne VIC 3000
Share register	Link Market Services Limited Level 13, Tower 4 727 Collins Street Melbourne VIC 3000 Telephone: +61 (0)3 9067 2005
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3000 Telephone: +61 (0)3 8320 2222
Solicitors	K&L Gates Level 25, 525 Collins Street Melbourne VIC 3000 Telephone: +61 (0)3 9205 2000
Bankers	Westpac Banking Corporation 150 Collins Street Melbourne VIC 3000
Stock exchange listing	SelfWealth Limited shares are listed on the Australian Securities Exchange (ASX code: SWF)
Website	www.selfwealth.com.au

SelfWealth Limited
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SelfWealth Limited
Directors' report
31 December 2021

The Directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2021.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Robert Edgley - Non-Executive Chairman
Mr Anthony Lally - Non-Executive Director (retired 21 October 2021)
Mr John O'Shaughnessy - Non-Executive Director
Mr Tam Vu - Non-Executive Director
Ms Catherine Whitaker - Managing Director and CEO (appointed director on 6 September 2021)

Principal activities

During the financial half-year the principal continuing activities of the Company consisted of:

- Online flat fee share trading brokerage services
- Online investor community portal services

Review of operations

SelfWealth achieved revenue of \$9.9M for the six months to 31 December 2021, an increase of 17.7% from the comparative period 31 December 2020. The Company's revenue growth was primarily driven by trading revenue, which represents 72.5% of total revenue. Client cash balances, which are a driver of revenue for the Company via interest generated, have also grown substantially to \$677M at 31 December 2021, up 53.5% from the 31 December 2020 period.

The net loss of \$2.4M was a result of the investment in the growth strategy for the 6 months to 31 December 2021. Funds were utilised to accelerate investment in broadening the product offering and user experience through investment in product and technology and pursuing a more aggressive marketing strategy.

Cash and cash equivalents at the end of 31 December 2021 is \$14.9M, strengthened by the capital raise of \$11.7M during July and August 2021 to support the Company's growth strategy. Net increase in cash and cash equivalents since 30 June 2021 is \$7.3M. The Company continues to have no debt.

Please refer to the investor presentation released on the ASX on 21st February 2022 for further information.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Robert Edgley
Non-Executive Chairman

21 February 2022
Melbourne

Auditor's Independence Declaration

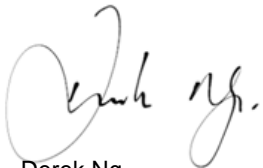
To the Directors of SelfWealth Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of SelfWealth Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Derek Ng
Partner - Audit & Assurance

Melbourne, 21 February 2022

SelfWealth Limited
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Revenue			
Revenue from contracts with customers	3	9,924,867	8,434,352
Cost of providing services		<u>(5,465,321)</u>	<u>(5,254,467)</u>
Gross profit		<u>4,459,546</u>	<u>3,179,885</u>
Other income	4	6,000	35,397
Depreciation and amortisation expense	5	(126,138)	(55,886)
Selling and marketing expenses		(1,785,154)	(428,179)
General and administrative expenses		<u>(4,987,814)</u>	<u>(3,170,306)</u>
Operating loss		<u>(2,433,560)</u>	<u>(439,089)</u>
Finance income		19,069	11,203
Finance expenses		<u>(5,449)</u>	<u>(5,104)</u>
Finance costs - net		<u>13,620</u>	<u>6,099</u>
Loss before income tax		<u>(2,419,940)</u>	<u>(432,990)</u>
Income tax		-	-
Loss after income tax for the half-year		<u>(2,419,940)</u>	<u>(432,990)</u>
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		<u><u>(2,419,940)</u></u>	<u><u>(432,990)</u></u>
Total comprehensive loss for the half-year is attributable to: Ordinary Equity Holders of SelfWealth Limited		<u><u>(2,419,940)</u></u>	<u><u>(432,990)</u></u>
		Cents	Cents
Loss per share for loss from continuing operations			
Basic loss per share	17	(1.04)	(0.22)
Diluted loss per share	17	(1.04)	(0.22)

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

SelfWealth Limited
Condensed statement of financial position
As at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		14,879,698	7,525,351
Trade and other receivables	6	440,455	245,850
Other current assets		266,239	119,180
Total current assets		15,586,392	7,890,381
Non-current assets			
Plant and equipment		211,012	82,502
Right-of-use assets	7	884,346	40,170
Intangibles assets	8	1,376,368	7,823
Other non-current assets		580,355	525,000
Total non-current assets		3,052,081	655,495
Total assets		18,638,473	8,545,876
Liabilities			
Current liabilities			
Trade and other payables	9	1,954,672	1,786,936
Contract liabilities	10	217,081	356,978
Lease liabilities	11	269,396	47,345
Employee benefits obligations		878,558	563,054
Provisions		15,930	20,000
Total current liabilities		3,335,637	2,774,313
Non-current liabilities			
Lease liabilities	11	619,489	-
Employee benefits obligations		53,272	59,245
Total non-current liabilities		672,761	59,245
Total liabilities		4,008,398	2,833,558
Net assets		14,630,075	5,712,318
Equity			
Share capital	12	38,672,970	27,287,723
Other reserves	13	588,357	635,907
Accumulated losses		(24,631,252)	(22,211,312)
Total equity		14,630,075	5,712,318

The above condensed statement of financial position should be read in conjunction with the accompanying notes

SelfWealth Limited
Condensed statement of changes in equity
For the half-year ended 31 December 2021

	Share capital \$	Other reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	23,878,834	1,532,862	(21,564,616)	3,847,080
Loss after income tax for the half-year	-	-	(432,990)	(432,990)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(432,990)	(432,990)
<i>Transactions with ordinary equity holders in their capacity as ordinary equity holders:</i>				
Share-based payments	-	456,694	-	456,694
Issue of shares to employees	160,281	(160,281)	-	-
Issue of shares to director	962,500	(962,500)	-	-
Options exercised	2,286,108	(422,765)	-	1,863,343
Balance at 31 December 2020	27,287,723	444,010	(21,997,606)	5,734,127
	Share capital \$	Other reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	27,287,723	635,907	(22,211,312)	5,712,318
Loss after income tax for the half-year	-	-	(2,419,940)	(2,419,940)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,419,940)	(2,419,940)
<i>Transactions with ordinary equity holders in their capacity as ordinary equity holders:</i>				
Capital raised during the period (note 12)	11,735,500	-	-	11,735,500
Less: capital raising costs (note 12)	(660,676)	-	-	(660,676)
Issue of shares to third party (note 12)	26,250	-	-	26,250
Issue of shares to director (note 12)	182,573	(243,430)	-	(60,857)
Loan shares paid (note 12)	101,600	(51,200)	-	50,400
Share-based payments (note 13)	-	252,790	-	252,790
Performance rights forfeited (note 13)	-	(5,710)	-	(5,710)
Balance at 31 December 2021	38,672,970	588,357	(24,631,252)	14,630,075

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes

SelfWealth Limited
Condensed statement of cash flows
For the half-year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,565,434	8,831,885
Payments to suppliers (inclusive of GST)		<u>(12,641,794)</u>	<u>(8,655,397)</u>
		(2,076,360)	176,488
Interest received		19,069	14,654
Interest and other finance costs paid		(5,449)	(5,104)
Government grants and R&D tax incentives		<u>-</u>	<u>179,397</u>
Net cash inflow/(outflow) from operating activities		<u>(2,062,740)</u>	<u>365,435</u>
Cash flows from investing activities			
Payments for plant and equipment		(199,571)	(8,710)
Payments for intangibles	8	(1,386,680)	-
Payment for other non-current assets		(55,355)	(125,000)
Proceeds from disposal of plant and equipment		<u>2,017</u>	<u>-</u>
Net cash outflow from investing activities		<u>(1,639,589)</u>	<u>(133,710)</u>
Cash flows from financing activities			
Proceeds from issue of shares	12	11,735,500	-
Share issue transaction costs	12	(660,677)	-
Principal elements of lease payments		(68,547)	(50,951)
Proceeds from options exercised/loan shares paid		<u>50,400</u>	<u>1,827,322</u>
Net cash inflow from financing activities		<u>11,056,676</u>	<u>1,776,371</u>
Net increase in cash and cash equivalents		<u>7,354,347</u>	<u>2,008,096</u>
Cash and cash equivalents at the beginning of the financial half-year		<u>7,525,351</u>	<u>5,261,151</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>14,879,698</u></u>	<u><u>7,269,247</u></u>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 1. Basis of preparation

This condensed interim financial report for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

These interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by SelfWealth Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year, other than as noted below.

New or amended Accounting Standards and Interpretations adopted

There are no new or revised Accounting Standards, amendments or Interpretations effective for the current year that are relevant to the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the company incurred a loss of \$2,419,940 and had net operating cash outflow of \$2,062,740 for the half-year ended 31 December 2021. As at 31 December 2021, the Company held cash and cash equivalents of \$14,879,698.

In the process of approving the company's internal forecast and business plan for upcoming financial years, the board has considered the cash position of the company within the next 12 months from the date of this report, further supported by the application of sensitivity analysis and stress-testing of the key existing revenue stream assumptions used with consideration to historical growth rate. Based on the assessment of the company's ability to achieve its growth targets, the board believes that the group will continue as a going concern and be able to repay its debts as and when they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

New accounting policies

Intangible assets

Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible assets can be recognised, development expenditure is recognise as an expense in the period as incurred.

Distinguishing the research and development phases of a new project development and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

An intangible assets arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- The technical feasibility of completing the intangible asset so it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 1. Basis of preparation (continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 2. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of SelfWealth Limited. For the current and previous reporting periods, the Company's main activity is to provide a flat fee brokerage service in Australia. Accordingly, the Company has identified one reportable segment.

Note 3. Revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time:

	31 December 2021	31 December 2020
	\$	\$
Trading revenue ¹	7,198,327	6,268,717
Membership subscription revenue ²	270,401	210,081
Interest income ³	2,434,653	1,940,931
Other revenue	21,486	14,623
	<u>9,924,867</u>	<u>8,434,352</u>

- (1) Trading revenue: The Company charges a flat fee buy and sell trades, and is recognised at a point in time when the Company has facilitated the trading request, the single performance obligation. International transfer fee applies for international shares trading transactions.
- (2) Membership subscription revenue: Revenue is earned from memberships over the time period the membership relates. Where a membership includes free trades, the transaction price is allocated between the trades and the membership.
- (3) Interest income: Interest income is generated on client monies held in the Trading Cash Account. These accounts are held in the name of the customers and therefore not recognised in the Company's statement of financial position.

Note 4. Other income

	31 December 2021	31 December 2020
	\$	\$
R & D Tax Incentive Income	-	(20,603)
Government assistance	-	50,000
Sundry income	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
Other income	<u>6,000</u>	<u>35,397</u>

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 5. Expenses

	31 December 2021	31 December 2020
	\$	\$
Loss before income tax includes the following specific expenses:		
Cost of providing services	<u>5,465,321</u>	<u>5,254,467</u>
<i>Depreciation</i>		
Plant and equipment	42,092	7,577
Buildings right-of-use assets	<u>65,911</u>	<u>48,309</u>
Total depreciation	<u>108,003</u>	55,886
<i>Amortisation</i>		
Domain	13,422	-
Patents and trademarks	<u>4,713</u>	-
Total amortisation	<u>18,135</u>	-
Total depreciation and amortisation	<u>126,138</u>	55,886
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>5,449</u>	5,104
Superannuation expense	<u>205,619</u>	137,911
Share-based payments expense	<u>212,473</u>	456,696
Employee benefits expense excluding superannuation	<u>3,227,246</u>	1,681,694

Note 6. Trade and other receivables

	31 December 2021	30 June 2021
	\$	\$
<i>Current assets</i>		
Accrued receivables	200,658	175,556
GST refundable	236,701	45,791
Other receivables	<u>3,096</u>	<u>24,503</u>
	<u>440,455</u>	<u>245,850</u>

Note 7. Right-of-use assets

	31 December 2021	30 June 2021
	\$	\$
<i>Non-current assets</i>		
Properties - right-of-use	910,087	287,751
Less: Accumulated depreciation	<u>(25,741)</u>	<u>(247,581)</u>
	<u>884,346</u>	<u>40,170</u>

Additions to the right-of-use assets during the half-year were \$910,087.

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 7. Right-of-use assets (continued)

Commencing on 1 December 2021, the Company moved premises to Level 7, 130 Lonsdale Street, Melbourne, under a lease agreement for 3 years with an option to extend.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Total
	\$
Balance at 1 July 2021	40,170
Additions	910,087
Depreciation expense	(65,911)
Balance at 31 December 2021	<u>884,346</u>

Note 8. Intangibles assets

	31 December	30 June 2021
	2021	2021
	\$	\$
<i>Non-current assets</i>		
Development in progress - at cost	<u>1,376,368</u>	-
Domain - at cost	38,385	28,073
Less: Accumulated amortisation	<u>(38,385)</u>	(24,963)
	-	3,110
Patents and trademarks - at cost	488,016	488,016
Less: Accumulated amortisation	<u>(488,016)</u>	(483,303)
	-	4,713
	<u>1,376,368</u>	<u>7,823</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Development	Domain	Patent/	Total
	in progress	Domain	Trademarks	Total
	\$	\$	\$	\$
Balance at 1 July 2021	-	3,110	4,713	7,823
Additions	1,376,368	10,312	-	1,386,680
Amortisation expense	-	(13,422)	(4,713)	(18,135)
Balance at 31 December 2021	<u>1,376,368</u>	<u>-</u>	<u>-</u>	<u>1,376,368</u>

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 9. Trade and other payables

	31 December	30 June 2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,350,317	1,431,561
Accrued expenses	298,201	243,337
Other payables	<u>306,154</u>	<u>112,038</u>
	<u>1,954,672</u>	<u>1,786,936</u>

Note 10. Contract liabilities

	31 December	30 June 2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>217,081</u>	<u>356,978</u>

Contract liabilities relate to membership subscriptions that have been received in advance. Where a membership includes free trades, the transaction price is allocated between the trades and the membership and a contract liability has been recognised for the portion of the revenue where the recognition criteria have not been satisfied.

Note 11. Lease liabilities

	31 December	30 June 2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>269,396</u>	<u>47,345</u>
<i>Non-current liabilities</i>		
Lease liability	<u>619,489</u>	<u>-</u>
	<u>888,885</u>	<u>47,345</u>

Note 12. Share capital

	31 December	30 June 2021	31 December	30 June 2021
	2021	2021	2021	2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>236,585,819</u>	<u>205,357,919</u>	<u>38,672,970</u>	<u>27,287,723</u>

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 12. Share capital (continued)

Details	Number of shares	Total \$
Balance at 1 July 2020	195,861,000	23,878,834
Issue at \$0.17 pursuant to option exercised (1 Jul 2020)	211,880	36,020
Issue at \$0.25 pursuant to option exercised (2 Jul 2020)	500,000	125,000
Issue at \$0.25 pursuant to option exercised (13 Jul 2020)	1,076,454	269,114
Issue at \$0.25 pursuant to option exercised (2 Sep 2020)	2,000,000	500,000
Issue bonus shares to staff and executives under ESOP (10 Sep 2020)	225,748	160,281
Issue at \$0.25 pursuant to option exercised (6 Oct 2020)	3,532,837	883,209
Issue at \$0.25 pursuant to option exercised (12 Oct 2020)	200,000	50,000
Issue shares to managing director (27 Oct 2020)	1,750,000	962,500
Exercised option fair value transfer from reserve to issued capital	-	422,765
Balance at 30 June 2021	205,357,919	27,287,723
Issue at \$0.39 pursuant to 1 st tranche Placement (22 Jul 2021)	22,307,693	8,700,000
Issue at \$0.39 pursuant to 2 nd tranche Placement (30 Jul 2021)	3,333,333	1,300,000
Issue at \$0.35 pursuant to Shares Purchase Plan (12 Aug 2021)	4,958,624	1,735,500
Issue at \$0.35 to CFO Solution (23 Aug 2021) ¹	75,000	26,250
Release from Escrow pursuant to ESP Loan Shares scheme (20 Sep 2021) ²	-	50,400
Paid loan shares transfer from reserve to issued capital ³	-	51,200
Issue at \$0.33 to Director Rob Edgley (26 Oct 2021) ⁴	553,250	182,573
Less: capital raising costs	-	(660,676)
Balance at 31 December 2021	236,585,819	38,672,970

- (1) Shares granted to CFO Solution as part of professional service rendered as approved by the Board.
- (2) The payment for 400,000 shares that relates to the ESP Loan Shares scheme dated 1 July 2019, where 2,150,000 shares was issued and escrowed.
- (3) Transfer of 400,000 paid loan shares from reserve.
- (4) Shares granted to Director Rob Edgley as short term incentive entitlement for 2020/2021 financial year. This was approved at the FY21 AGM held on the 21 October 2021.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 13. Other reserves

The statement of financial position line item 'other reserves' comprises the 'share-based payments reserve'.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 13. Other reserves (continued)

Movements in share-based payments reserve

Details	Number of options	Number of performance rights	Total \$
Balance as at 1 July 2020	7,451,217	-	1,532,862
Issue bonus shares to staff for FY2020 performance	-	-	(160,281)
Amortisation of share-based payments for options	-	-	4,626
Amortisation of share-based payments for performance rights ¹	-	1,431,617	144,091
Amortisation of share-based payments for loan shares	-	-	113,945
Additional expense for fair value adjustment of remuneration share-based payments	-	-	90,000
Bonus shares share-based payments	-	-	295,929
Bonus shares issue to managing director for FY2020 performance	-	-	(412,500)
Options exercised during the period	(7,451,217)	-	(422,765)
Remuneration share-based payments	-	-	(550,000)
Balance at 30 June 2021	-	1,431,617	635,907
Issue of shares to Director Rob Edgley	-	-	(243,430)
Loan shares paid and released from Escrow ²	-	-	(51,200)
Performance rights forfeited due to staff resignation	-	(56,726)	(5,710)
Issue performance rights under ESOP for FY22 ³	-	6,183,181	149,836
Amortisation of share-based payments for loan shares and performance rights issued in prior periods	-	-	102,954
Balance at 31 December 2021	-	7,558,072	588,357

- (1) In October 2020 through the Company's 'employee share plan' (ESP) and 'employee share option plan' (ESOP), 1,431,617 performance rights was issued as part of long-term incentive plan for the FY2021.
- (2) Related to the ESP Loan Shares scheme dated 1 July 2019, where 2,150,000 shares was issued and escrowed. 400,000 shares has now been fully paid and released from Escrow.
- (3) In December 2021 through the Company's 'employee share plan' (ESP) and 'employee share option plan' (ESOP), 6,183,181 performance rights was issued as part of long-term incentive plan for the FY2022.

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Covid-19 impact on business

Despite the continued challenges faced by various sectors in the economy from COVID-19, SelfWealth has implemented the necessary risk management procedures to minimise disruption to the Company.

To date COVID-19 has not had a negative impact on the Company with the most significant impact being staff working remotely. This change has been delivered with minimal loss of reputation or system failures. From 1 December 2021, staff have commenced returning to the Company's new premises at Level 7, 130 Lonsdale Street, Melbourne and transitioning back to the workplace while strictly following the Victorian Government's roadmap and guidelines.

As of the date of report, the impact of COVID-19 remains minimal to the Company's operation.

SelfWealth Limited
Notes to the condensed financial statements
31 December 2021

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 17. Loss per share

	31 December 2021	31 December 2020
	\$	\$
Loss after income tax	<u>(2,419,940)</u>	<u>(432,990)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>231,842,502</u>	<u>201,364,834</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>231,842,502</u>	<u>201,364,834</u>

Due to the net loss, dilutive loss per share is the same as basic loss per share.

SelfWealth Limited
Directors' declaration
31 December 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Robert Edgley
Non-Executive Chairman

21 February 2022
Melbourne

Independent Auditor's Report

To the Members of SelfWealth Limited

Report on the audit of the financial report

Conclusion

We have reviewed the accompanying half year financial report of SelfWealth Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2021, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of SelfWealth Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the SelfWealth Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

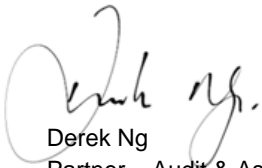
Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Derek Ng
Partner – Audit & Assurance

Melbourne, 21 February 2022

Interim Report – 31 December 2021

SelfWealth Limited
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SelfWealth®

Trade smarter. Every time.