

**WE STRONGLY ENCOURAGE YOU TO VOTE AGAINST  
THE RESOLUTIONS PROPOSED BY THE REQUISITIONING  
SHAREHOLDERS.**

13<sup>th</sup> April 2022

Dear Shareholders,

The SelfWealth board thanks you for your support.

We are presently preparing a notice of meeting for a shareholders meeting to be convened in accordance with s249D and to be held in late May 2022. Meeting documents will incorporate statements received by the requisitioning shareholders (Mr Andrew Ward and others) and our response. However, in the interim, in order to keep shareholders informed we wish to provide the following information.

**The SelfWealth Vision**

SelfWealth's driving purpose is to encourage and empower people to achieve financial freedom. This is an inclusive statement that encompasses all types of Australians and what financial freedom means to them.

Our vision is to be the leading brokerage platform of choice for retail investors by giving them unparalleled access to a growing number of international markets, asset classes and leading insights with an intuitive, easy-to-use platform and user experience.

To do this, we've been investing in our strategy, our understanding of the customer and organisational capability so we can deliver a truly outstanding experience for our customer and be the leader in what we do.

**We are on track.**

Over the last two years we have been the proud recipient of several awards, including:

- ✓ AFR's Fast 100 where we ranked as the [10th Fastest Growing Company in Australia](#) (awarded November 2021);
- ✓ Deloitte Tech Fast 50: Top 10 entrant [2020](#) and Top 30 entrant [2021](#) (awarded April 2022);
- ✓ Financial Times - [Asia-Pacific High-Growth Companies 2021](#), ranked #54 and # 4 in Australia (awarded March 2022); and

- ✓ Two Finder awards in 2021, including the [Best Australian Share Trading Platform for long-term investors](#) (awarded September 2021).

## **Our Path Since 2019**

After Mr. Andrew Ward left the business in 2019, the Board conducted an internal review and agreed on an action plan that consisted of two components.

**Firstly**, we had to stabilise the business by injecting immediate new leadership to the organisation. This was achieved through the appointment of Mr. Rob Edgley as the CEO. During this period, Mr Edgley presided over a period of high growth, successfully reduced transactional costs through renegotiation of key contracts, and developed the SelfWealth team.

**Secondly**, we developed a long-term strategy for the business. The Board did not take the COVID tailwind for granted as we knew inevitably things will change. The Board went through an extensive process and considered a range of options that were available to us. We chose a path that would provide long term value to shareholders and not focus solely on short term gains. A new vision and strategy for SelfWealth was born.

To execute the new vision, the Board also recognised that new leadership was required and to this end, a global search for a new CEO was conducted. After an extensive search which required time, the Board was excited to appoint Ms. Cath Whitaker as the CEO.

## **Where Are We Now.**

Our company's strategic vision encapsulates our ambition to be the leading brokerage platform for all Australians. This approach is anchored in our key growth pillars and objectives for FY22 and beyond, which is to continue to evolve the SelfWealth brand, develop a best-in-class approach to products and user experience, uplift our delivery capability and attract staff of the highest calibre to enhance revenue drivers.

The Board and management are confident in SelfWealth's cash runway and our ability to drive growth, implement the growth strategy we have set out below and continue to deliver value to shareholders sustainably over the long term.

In the last two years, SelfWealth has grown from strength to strength, and continues to win praise and respect from Australia's retail investor and financial advisor communities. SelfWealth continues to scale and identify new opportunities for growing our market share.

Since our FY19 Results (Refer to ASX Announcement on 30<sup>th</sup> August, 2019), we have achieved the following:

- Active Traders: Increased 791% from 13,856 to 123,523;

- Value of Assets on Platform: Increased 669% from \$1.21 billion to \$9.3 billion; and
- Cash held on platform: Increased 765% from \$86 million to \$744 million.

Our revenue has also grown by 557%:

- FY 19: \$2.8m.
- FY 20: \$7.8m.
- FY 21: \$18.4m.

**Increased market share:** During this time, SelfWealth has grown to be the #4 online trading platform in Australia, sitting behind three of the Big Four banks.

### **Clear Strategy and Proven Execution:**

The Board and management believe SelfWealth had to adopt a sustainable growth agenda. This is the only way to create shareholder value. To do this, SelfWealth needed to be fully funded to realise this vision, but this could not be done until the appointment of Ms. Cath Whitaker as CEO.

In July 2021, the SelfWealth Board approved an eighteen month transformation strategy that focussed on future proofing our business in an increasingly competitive market. The strategy is to:

- Transition from a “cheap” ASX trading platform to a wealth creation platform for Retail Investors and Financial Advisors;
- Diversify away from a reliance on ASX trade volume business, focussed on transactional pricing only;
- Attract, and retain clearly defined client segments in Australia;
- Establish the SelfWealth brand as trusted, visionary, supporting everyday Australians to achieve financial freedom;
- Provide independent thought leadership, content and perspectives with an authoritative voice in the market;
- Uplift the user experience and introduce new products to ensure SelfWealth users have a rich experience;
- Establish SelfWealth as a great place to work; one that values diversity, respects opinions and provide strong leadership;
- Build a strong foundation to support further growth opportunities; and
- Adding new members to our Board. Our Nomination sub-committee agreed the requisite skill set to include *recent* digital product and technology experience gained in modern digital organisations. This includes strategic retail digital marketing experience and commercial experience gained in fin tech companies ideally with global scale. In addition, the person to be of exemplary character, that actively supports diversity and inclusion. With the endorsement of the Board, SelfWealth commenced a search process for new Directors several months ago and it is an on-going process.

Following on from the capital raise required to realise this vision, in the space of nine months, SelfWealth is in the process of successfully implementing our strategy. The SelfWealth board has carefully planned investments to solidify our path to scale and grow. It is essential to continue the momentum that has been built over the last period. Changing our strategic path now will result in waste and the significant destruction of shareholder value.

**Proven Execution and Results:**

During this period, we have delivered several new initiatives to create material value for shareholders as highlighted below:

- Providing ESG thematics and data for all retail investors;
- Launch of minor accounts;
- Enabling USA Pre Market access (allows for trading 2 hours in advance of USA markets opening);
- Facilitating instant OSKO-enabled deposits; and
- Providing access to CHI-X and Hong Kong equities (via the HKEX).

By establishing a clear vision and organisational objectives, we have been able to attract incredible talent to our organisation.

We are now truly an agile business that has implemented new ways of working to allow us to deliver new products in an accelerated manner. We are conscious of shareholders' investment and value for money is one of our operating core tenets. For example, we have built offshore capabilities that allow us to be cost effective while gaining scale that allows us to implement products on regular and consistent basis.

Integral to our ability to deliver is a clear understanding of how our customers like to use the platform. We have also built client feedback loops into our product management development process to ensure the customer is at the core of everything we do.

**The Impact of COVID-19:**

Since March 2020, COVID-19 has had a transformative impact across most industries and sectors.

The pandemic has resulted in significant structural change and created several material and value-accretive opportunities that SelfWealth are now pursuing as part of our growth strategy.

Specifically, the global pandemic provided enormous tailwinds for SelfWealth with an exciting new period of customer growth and acquisition. The addressable market for retail investors doubled from c700,000 to an estimated c1.4m, and we captured a sizeable portion of that growth.

Whilst the massive influx of new retail investors and pace of new customer acquisition has now stabilised, our strategy has taken this into consideration. For the post COVID-19 world, SelfWealth will continue to grow by:

- Ensuring that our platform continues to evolve at pace to continue our growth path; and
- Winning and retaining new retail investors (many of whom seek to increase their investment sophistication) with the educational and technological resources they need to stay in the market over the long term.

In summary, by continuing to invest in platform enhancements, strategic partnerships and democratising access to international markets, SelfWealth has continued to carve out greater market share by retaining a competitive edge and being recognised as the platform of choice for retail investors across Australia. Our client acquisition strategy is to continue to scale and expand our services to compete directly with the established and emerging competitors.

The Board has demonstrated its proven track record of transforming SelfWealth into one of Australia's leading and fastest growing fintech companies. We thank you for your support and we are confident that our vision for the business is the right one.

## SelfWealth Board



Robert Edgley  
Non-Executive Chairman



John O'Shaughnessy  
Non-Executive Director



Cath Whitaker  
CEO and Managing Director



Tam Vu  
Non-Executive Director