

## Chair and CEO Addresses to 2023 AGM

**Melbourne, Australia – 14 November 2023:** SelfWealth Ltd (ASX: SWF) (**SelfWealth** or the **Company**) attaches:

1. the text of the addresses to be given by the Chair and the CEO to the Company's 2023 Annual General Meeting to be held at 11.00am (Melbourne time) today; and
2. the slides that will accompany the two addresses.

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

**ENDS**

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## **CHAIR'S ADDRESS – CHRISTINE CHRISTIAN, AO**

Selfwealth is a trusted and leading Australian 'fixed-cost, low-cost' online retail equity trading platform. Since its inception in 2017 it has differentiated itself in the market and become a serious contender to challenge the market.

However, this year the company recognised the need for change. When I was approached to become Chair, I obviously did my due diligence, and was pleased to take on the role as I saw there the opportunity for Selfwealth to reshape its business to promote long term sustainable growth and take advantage of emerging market opportunities.

Selfwealth having developed an enviable loyal, high-quality customer base which provides that platform for growth.

Today I am going to give an overview of the year and key activities and outcomes, our financial performance, our leadership refresh, our cost optimisation program and outlook for the year ahead.

### **FY23 overview – a year of change and turnaround**

You will all be aware that it has been a year of considerable change and turnaround at Selfwealth. Much of this change has resulted from listening to shareholder feedback.

The company restructured the Board and the senior management team to ensure Selfwealth has the right team to lead the organisation through the company's planned transformation and change program and realise the future potential of this well positioned company.

It is pleasing that even with this considerable change during the year Selfwealth has navigated this period gracefully and remained on track to deliver its maiden profit.

Selfwealth has finished the year with Net Profit After Tax (NPAT) of \$0.1 million. While this may sound insubstantial on first blush, this is compared with a loss of \$6.3 million the prior year. So a great result and heading in the right direction.

As well as delivering a maiden profit, the company has performed strongly on all financial metrics. The business is in a strong financial position with Net Operating

Cashflow at \$2.5 million and year end cash at bank at \$12.4 million. Revenue increased to \$29.4 million, up from \$20.3 million in the previous year, supported by the rising RBA cash rate.

Let's quickly revisit what a good year it's been for Selfwealth on all the key financial and customer metrics.

- Maiden profit
- Total revenue increased by 44.9% to \$29.4 million, driven primarily by interest income of \$20.4 million, up from \$5.9 million in the previous corresponding period.
- Gross profit was \$20.3 million, up by 111% on the prior corresponding period.
- The increase of the cash rate by the RBA over the past 12 months has resulted in a higher Net Interest Margin on customer cash balances. This helped to provide a buffer as the market has softened.

These results are especially pleasing when you consider that Operating costs have increased during the period to \$20.4 million, up from 28.5% compared to the prior corresponding period. It's important to note these increased costs were due to increases in salary expenditure to migrate onto the new ASX clearing and settlement platform, which was completed in May, and secondly an investment to upgrade the Selfwealth banking platform which is expected to deliver future cost savings and enhance the customer experience.

During Covid, Selfwealth saw significant growth in both new customers and trading activity, so we are pleased to see that in FY23 we've been able to maintain that positive momentum, increasing Active Portfolios by 2.7%, to 129,403.

We have a loyal, high quality customer base, and their Funds Under Administration with us has grown to \$9.5 billion up 16% from FY22.

There has been three consecutive quarters of positive operating cashflow, and the company continues to have no external debt in FY24. This puts the business in a strong positive operating cashflow position to fund the planned transformation and growth strategy.

## Financial overview since Listing

I would also like to highlight the company's long term growth rate since listing.

Highlights are:

- Total Revenue compound average growth rate over 5 years of 95%
- Gross Profit CAGR was 137%
- Funds under administration achieved a CAGR of 77%
- And importantly Active Traders have achieved a CAGR of 94% over 5 years

Lets talk next on Governance next, an area we've made significant change. The Board expects these changes will help drive disciplined growth in the business and increase shareholder value.

The first strike the previous Board received at last years AGM has been taken seriously and the company has taken decisive action. We've listened to your feedback and made both immediate and longer-term changes to incentives. The Board immediately postponed the Long Term Incentive program for FY23 and no performance rights are being issued for FY24. Short term incentives were also substantially reduced during FY23.

As we move forward, the company is currently developing new short and long term incentive frameworks designed to clearly align the interests of our non-executive team with our shareholders, to ultimately maximise the company's value and therefore shareholder value.

Performance incentives will be linked to explicit financial and non-financial metrics. And, as part of these changes, we also expect the number of performance rights issued will be significantly reduced and the bar for both short and longer term incentives will be set higher to stretch the team to deliver the growth that we believe is achievable.

Let's now touch on the changes at the Board and leadership level before looking at our outlook for 2024.

In addition to the feedback, we received from shareholders about remuneration, the Board has been restructured to ensure Selfwealth has the right mix of skills, business

acumen, diversity and energy to realise the transformation plans for Selfwealth and drive sustainable and profitable long term growth.

With Huy Truong and Jodie Leonard stepping down this year, Emanuel Datt was appointed to the board in February and Paul Clark was appointed in April. Both were appointed as Non-Executive Directors. Emanuel is an experienced and successful entrepreneur. Selfwealth will benefit from his extensive skills and experience in funds management and investment management and his experience working with emerging FinTech companies. Paul brings a track record in leading large teams through cultural and structural change and has deep capital markets expertise in audit and risk, capital and debt advisory, M&A and corporate turnarounds.

Rob Edgley resigned as Chair in 2023 upon my appointment as Non-Executive Chair. Rob stayed on for several months following his resignation to ensure continuity and an effective transition. On behalf of the Board, I'd like thank Rob for the key role he's played in this smooth transition.

We'd also sincerely like to thank Rob, Huy and Jodie for the important roles they've played in building Selfwealth to its current position.

And today I am very pleased to say we have a new Non-Executive Director, Adam Lewis, who I warmly welcome to the Selfwealth Board.

Adam takes up his appointment from tomorrow. His strategic focus and decades of experience in realising strategic opportunities further strengthens the calibre of the Selfwealth Board. Adam is one of Australia's leading strategists, having led McKinsey & Company as its Managing Partner in Australia & New Zealand for 15 years and has worked extensively across all industries and has worked with Australia's leading financial services and technology companies to realise their strategic growth opportunities.

As I mentioned at the outset, you'll shortly hear from Craig Keary who's recently been announced as Selfwealth's CEO. Craig joins Selfwealth from Wise Partnering where he was CEO and Principal Consultant and prior to that he was Managing Director, Asia Pacific Region, AMP Capital. After returning from Asia Craig has been heavily involved in the fintech ecosystem where he was a senior advisor at global digital advice firm Ignition advice. Craig's also held senior management positions at

Westpac, Commonwealth Bank and HSBC Bank Australia. In his time at HSBC Craig helped develop their online trading platform. Craig has always in his career gravitated towards roles with a focus around customers and has applied technology to deliver better customer outcomes.

Craig takes over from Paul Cullinan who has acted in the role of CEO this year. The Board thanks Paul for his commitment to lead the company, he's done a great job while the Board conducted a search for a new CEO. We're confident Craig and Paul will be a powerful team.

Craig's appointment was announced to the market last month and he's already got his feet well under the desk, having started in late October. You'll have opportunity to hear from Craig next where he'll talk about what he brings to the business and his focus as we head into 2024. On behalf of the Board, I'd like welcome Craig and wish him every success for the coming year.

Last month, Selfwealth received a non-binding offer from Stake. We took a careful look at the proposal, but the Board found it to be incomplete and conditional and did not offer appropriate shareholder value. This is an area we expect to see continued activity – which could be in form of acquisition or an offer for Selfwealth – as the industry is fragmented with many new entrants. The Board will always evaluate these opportunities based on their ability to maximise shareholder value and will keep shareholders updated on any developments in this area.

## **Outlook**

As we look to the year ahead, if 2023 so far has been about change and turnaround and delivering a maiden profit, we see the next twelve months being about leveraging the existing strong brand and loyalty that's been developed and continuing to challenge the market. We'll continue to build on this strong reputation by focusing on profitable customer growth, continuing to offer and invest in an exceptional customer experience and increasing profitability and margins.

The business is already off to a strong start, with first quarter FY24 underlying EBITDA of \$1.55 million.

The Board believes the company is in a solid financial position and operating

cashflow will support the execution of our transformation and change program. The Board will remain focused on acting decisively and in a disciplined manner, working to maximise the Company's value, unlock future potential, and deliver growing returns for our shareholders.

That brings me to the end of my address and on behalf of the Board, thank you for coming today and for your ongoing support of Selfwealth.

I will now hand you over to Craig Keary, Selfwealth's recently appointed CEO.

## **CEO ADDRESS – CRAIG KEARY**

Thank you, Christine, and let me add my own welcome to you, our shareholders.

It's a privilege to join Selfwealth as CEO and I am looking forward to working with Christine, the Board and the executive team as we move forward. At the outset I would like to thank Paul Cullinan for stepping up as acting CEO and I'm delighted that Paul will continue to make a major contribution to Selfwealth as Chief Commercial Officer.

I have worked in financial services and wealth management since 1987 and I can see in Selfwealth an organisation with a strong brand, a dedicated team and a philosophy centered on the customer. Everyone is united in enhancing the customer experience and importantly, also doing so profitably. There is often talk of stakeholders- Selfwealth has three broad categories. Our customers, without whom we would not have a business and who can at any time vote with their feet; our team members who are integral to customer satisfaction; and our shareholders, the owners of Selfwealth who have a right to a return on their investment. All three groups are inextricably linked. Our objective is to see all three groups recognised and rewarded.

### **Transformation program**

In a nutshell, we will be working hard and smart to grow our enviable loyal customer base. But doing so profitably.

We have an opportunity to move up the value curve as we have seen our high-net worth customers as this segment has expanded in the last year or two.

Key to customer growth is ensuring that the customer experience is exemplary. If things can be done better, we want to know. There is always room for enhancement. Customers are core, as they should be. We have recently seen in other industries where customers have been taken for granted with the result that once famous brands have been severely impacted. Once this occurs, trust takes years to be restored.

We are investing in technology not only to make things more efficient for our customer base but to also lead to efficiencies flowing into profitability and shareholder value. Technology is a key enabler to the success of Selfwealth.



Exploring product adjacencies and partnerships for solutions that meet the needs of our customers. Coming at this from a customer first perspective is critical with the solutions aligning with customer needs.

The Selfwealth team are passionate about our customers and have made me feel incredibly welcome in my first 4 weeks. Working with the team to create an exciting and rewarding place for the team to work is a key enabler to the success of Selfwealth.

Cost optimisation program: The transformation program began last year, but my aim is to accelerate this. There is low-hanging fruit in terms of cost outs and efficiencies. but of course, we are also looking to at big-ticket items which will create long-term sustainable lowering of the cost base while not impacting the customer value proposition.

Advocating for the Selfwealth brand and business externally is important. We are a strong challenger brand and have a major opportunity to be active in contributing to the narrative.

It is a real privilege to work in this space. Our clients have goals and ambitions and trust Selfwealth to help them achieve these goals. This is something that the team or I do not take for granted.

Selfwealth has a lot to be proud of. It is now profitable with a stable team in place. Personally, I have a positive view of the future for our company and its stakeholders. I am very much looking forward to working with Christine and the experienced board and the passionate Selfwealth team to execute our strategy.

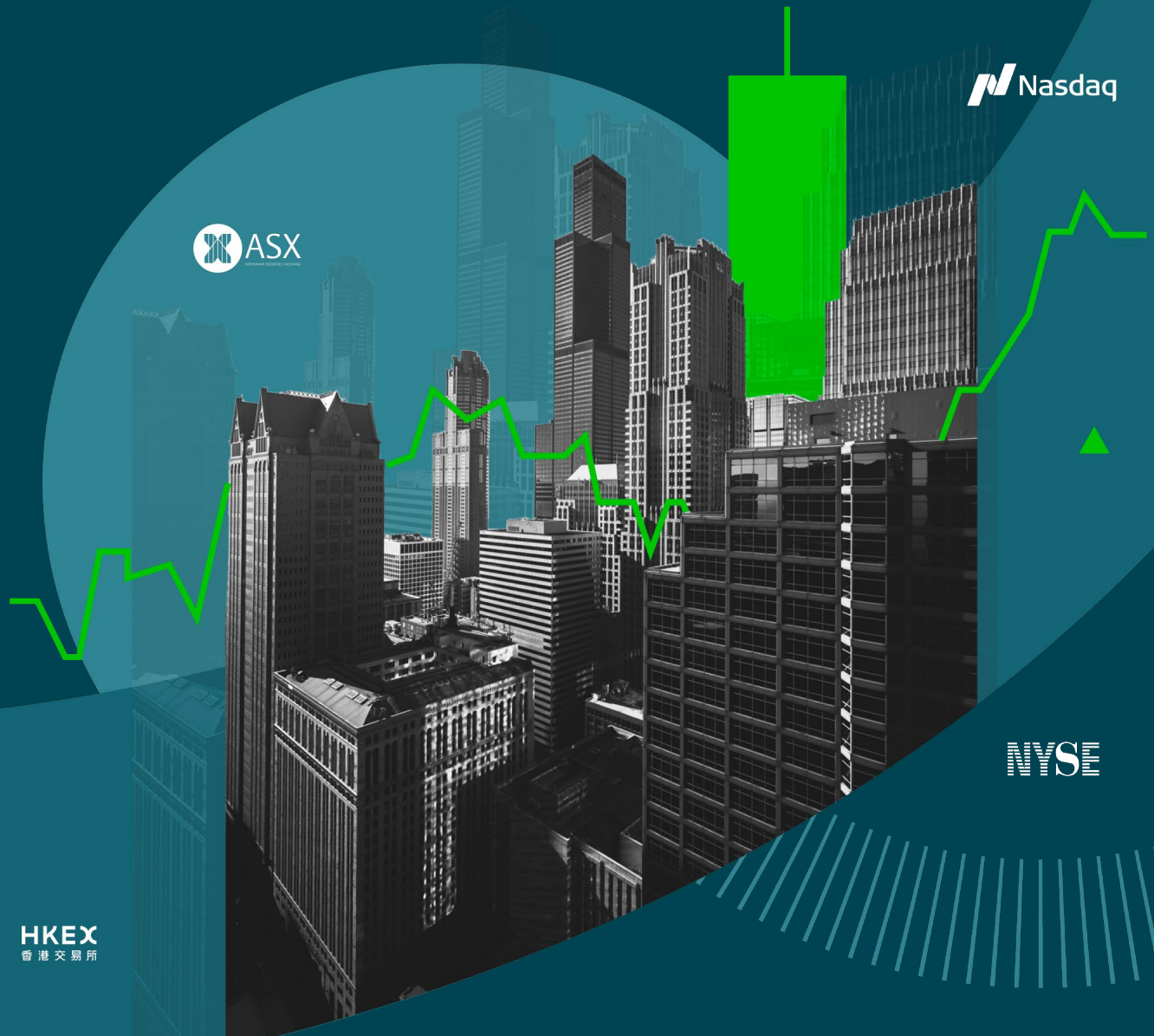
Thank you.

Selfwealth

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# Annual General Meeting

14 November 2023



ASX

Nasdaq

NYSE

HKEX  
香港交易所

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Chair's Address:  
Christine Christian AO

# FY23 overview – A year of change and turnaround

<p>Revenue up 45% to</p> <p><b>\$29.4 m</b></p>	<p>FUA* up 16% to</p> <p><b>\$9.5 bn</b></p>
<p>Gross Profit up 111% to</p> <p><b>\$20.3 m</b></p>	<p>Active Traders** up 3% to</p> <p><b>129.4 k</b></p>
<p>EBITDA up \$9.8m to</p> <p><b>\$4.0 m</b> PY (\$5.8m)</p>	<p>Operating cash flows up \$6.1m to</p> <p><b>\$2.5 m</b> PY (\$3.6m)</p>
<p>NPAT up \$6.4m to</p> <p><b>\$0.1 m</b> PY (\$6.3m)</p>	<p>EOFY cash balance up 8% to</p> <p><b>\$12.4 m</b></p>

\* Funds Under Administration includes Australian, US and HK securities and customer cash expressed in Australian dollars

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

# Financial overview since listing

PROFIT & LOSS SUMMARY \$000's	FY18	FY19	FY20	FY21	FY22	FY23	CAGR FY18-FY23
Interest Revenue	430	1,422	2,570	3,869	5,860	20,364	116%
Trading & Other Revenue	623	1,387	5,251	14,494	14,404	8,992	71%
<b>Total Revenue</b>	<b>1,053</b>	<b>2,809</b>	<b>7,822</b>	<b>18,363</b>	<b>20,264</b>	<b>29,356</b>	<b>95%</b>
YoY Growth		167%	178%	135%	10%	45%	
<b>Total Gross Profit</b>	<b>272</b>	<b>958</b>	<b>2,821</b>	<b>7,597</b>	<b>9,586</b>	<b>20,252</b>	<b>137%</b>
Gross Profit Margin %	26%	34%	36%	41%	47%	69%	
<b>EBITDA</b>	<b>(5,366)</b>	<b>(3,449)</b>	<b>(2,935)</b>	<b>(545)</b>	<b>(5,831)</b>	<b>4,040</b>	<b>N/A</b>
EBITDA Margin %	(510%)	(123%)	(38%)	(3%)	(29%)	14%	
<b>Underlying EBIT *</b>	<b>(5,395)</b>	<b>(3,459)</b>	<b>(3,044)</b>	<b>(660)</b>	<b>(6,271)</b>	<b>2,795</b>	<b>N/A</b>
Underlying EBIT Margin %	(512%)	(123%)	(39%)	(4%)	(31%)	10%	
<b>NPAT **</b>	<b>(5,348)</b>	<b>(3,447)</b>	<b>(3,045)</b>	<b>(647)</b>	<b>(6,264)</b>	<b>92</b>	<b>N/A</b>

COMPANY METRICS	FY18	FY19	FY20	FY21	FY22	FY23	CAGR FY18-FY23
<b>Active Traders (Vol.'000's)</b>	<b>4.7</b>	<b>13.9</b>	<b>46.4</b>	<b>95.2</b>	<b>125.9</b>	<b>129.4</b>	<b>94%</b>
<b>Funds under administration (A\$bn)</b>	<b>0.5</b>	<b>1.2</b>	<b>2.9</b>	<b>6.5</b>	<b>8.2</b>	<b>9.5</b>	<b>77%</b>
<b>Customer cash (A\$m)</b>	<b>41</b>	<b>90</b>	<b>366</b>	<b>523</b>	<b>736</b>	<b>456</b>	<b>62%</b>
<b>Trading volumes ('000's)</b>	<b>68</b>	<b>165</b>	<b>659</b>	<b>1,630</b>	<b>1,548</b>	<b>877</b>	<b>67%</b>
<b>Operating cash flow (A\$000's)</b>	<b>(5,033)</b>	<b>(3,251)</b>	<b>(147)</b>	<b>1,108</b>	<b>(3,649)</b>	<b>2,526</b>	<b>N/A</b>
<b>Company net cash position (A\$m)</b>	<b>3.3</b>	<b>1.0</b>	<b>5.3</b>	<b>7.5</b>	<b>11.5</b>	<b>12.4</b>	<b>30%</b>

\* Underlying EBIT in FY23 excludes \$2.9m nonrecurring impairment of intangible assets

\*\* NPAT not adjusted for nonrecurring items

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# Outlook

- Leveraging the existing strong brand and loyalty to continue to challenge the market
- Focus on profitable customer growth
- Continue to offer and invest in exceptional customer service experience
- Increasing profitability and margins

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CEO's Address:  
Craig Keary

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# Transformation program

- Grow our loyal customer base - profitably
- Ensure our customer service experience is exemplary
- Invest in technology to bring efficiencies to our customers flowing into profitability and increased shareholder value
- Exploring product adjacencies and partnerships for customer focused solutions
- Selfwealth being an exciting and rewarding place to work
- Continue with transformation and cost efficiencies



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# Disclaimer

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