

Interim Financial Report

for the half year ended 31 December 2023



Selfwealth Limited

ABN 52 154 324 428

Level 7, 130 Lonsdale St

Melbourne, Victoria, 3000





1. Company details

Name of entity:	SelfWealth Limited
ABN:	52 154 324 428
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	6.2% to	13,564,369
Profit from ordinary activities after tax	up	1520.8% to	1,633,953
Profit for the half-year	up	1520.8% to	1,633,953

Explanation of results

An explanation of the key financial elements contributing to the revenue and results 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>4.28</u>	<u>4.22</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 were subject to a review by the auditors and the review report is attached as part of the Interim Report.



Directors

Ms Christine Christian - Non-Executive Chair
Mr Paul Clark - Non-Executive Director
Mr Adam Lewis - Non-Executive Director (appointed 15 November 2023)
Mr Emanuel Datt - Non-Executive Director

Company secretary

Mr Jonathan Swain

**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

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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31 December 2023



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The Directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2023.

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:

Ms Christine Christian - Non-Executive Chair
Mr Paul Clark - Non-Executive Director
Mr Adam Lewis - Non-Executive Director (appointed 15 November 2023)
Mr Emanuel Datt - Non-Executive Director

Dividends

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

Review of operations

SelfWealth recorded revenue of \$13.6m for the six months to 31 December 2023 (2022: \$14.5m) which was 6.2% below the comparative period.

Equity trading revenue was down 23.4% on pcp due to lower equity trading volumes which was a reflection of the overall market.

Interest revenue was up 1.9% on pcp to \$9.9m as a result of multiple interest rate rises throughout the calendar year.

Cost of sales decreased 14.2% on the comparative period resulting lower equity trading volumes and a focus on optimising relevant costs.

Gross profit of \$9.8m was 2.7% below last year despite the 6.2% drop in revenue. Gross profit margin increased 2.6% on the comparative period increasing to 71.9% of total revenue as the Company continues to pursue gross profit margin optimisation opportunities.

As part of the cost reduction strategy, operating expenses has decreased by 20.7% on the comparative period (excluding non-recurring expenses which include impairment and cost reduction implementation expenses).

Underlying EBITDA¹ of \$3.5m increased 45% on pcp and Selfwealth delivered a net profit before tax of \$1.6m, an increase of \$1.5m on the comparative period (2022: \$0.1m).

Cash and cash equivalents at the end of 31 December 2023 is \$12.0m (30 June 2023: \$12.4m) and the Company continues to be fully funded to execute on its growth strategy.

The Company continues to have no debt.

On the 24th October 2023 Mr Craig Keary was appointed CEO of Selfwealth following on from the resignation of the previous CEO on the 6th July 2023.

Please refer to the investor presentation released on the ASX in February 2024 for further information.

(1) Underlying EBITDA excludes non-recurring cost reduction implementation expenses.



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

On the 3rd January 2024, the acquisition and cancellation of 1,205,437 ordinary shares took place under the Small Parcel Buy-Back announced to the market on the 4 October 2023 and a further announcement on the 17 November 2023 extending the closing date to 15 December 2023.

This was an on market buy-back where shareholders holding less than \$500 worth of SelfWealth Limited shares had those shares automatically purchased by the Company unless those shareholders had completed and returned the Share Retention Form by 5.00pm on 15 December 2023.

No other matter or circumstance has arisen since 31 December 2023 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

A handwritten signature in blue ink, appearing to read 'C. Christian', written over a faint circular stamp.

Ms Christine Christian AO
Non-Executive Chair

26 February 2024
Melbourne

Grant Thornton Audit Pty Ltd

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Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
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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 review of SelfWealth Limited for the half year ended 31 December 2023, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 26 February 2024

SelfWealth Limited
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	31 December 2023 \$	31 December 2022 \$
Revenue			
Revenue from contracts with customers	3	13,564,369	14,467,693
Cost of providing services	4	(3,809,495)	(4,438,780)
Gross profit		9,754,874	10,028,913
General and administrative expenses		(7,706,827)	(6,859,226)
Impairment of assets		-	(1,774,423)
Selling and marketing expenses		(642,809)	(1,369,003)
Operating profit		1,405,238	26,261
Finance income		241,051	96,519
Finance expenses		(12,336)	(21,967)
Finance costs - net		228,715	74,552
Profit before income tax		1,633,953	100,813
Income tax	9	-	-
Profit after income tax for the half-year		1,633,953	100,813
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		1,633,953	100,813
Total comprehensive income for the half-year is attributable to:			
Ordinary Equity Holders of SelfWealth Limited		1,633,953	100,813
		Cents	Cents
Earnings per share for profit from continuing operations			
Basic earnings per share	17	0.69	0.04
Diluted earnings per share	17	0.69	0.04

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 2023



	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	5	12,031,396	12,401,436
Trade and other receivables	6	307,825	223,770
Other assets		448,383	408,152
Total current assets		<u>12,787,604</u>	<u>13,033,358</u>
Non-current assets			
Plant and equipment		41,879	47,602
Right-of-use assets	7	278,175	430,963
Intangibles assets	8	2,314,618	1,106,481
Other assets		180,355	180,355
Total non-current assets		<u>2,815,027</u>	<u>1,765,401</u>
Total assets		<u>15,602,631</u>	<u>14,798,759</u>
Liabilities			
Current liabilities			
Trade and other payables	10	2,071,828	2,093,522
Contract liabilities	11	248,512	235,036
Lease liabilities	12	314,006	324,631
Employee benefits obligations		477,020	815,891
Total current liabilities		<u>3,111,366</u>	<u>3,469,080</u>
Non-current liabilities			
Lease liabilities	12	-	147,553
Employee benefits obligations		87,962	87,574
Total non-current liabilities		<u>87,962</u>	<u>235,127</u>
Total liabilities		<u>3,199,328</u>	<u>3,704,207</u>
Net assets		<u>12,403,303</u>	<u>11,094,552</u>
Equity			
Share capital	13	38,956,727	38,956,727
Other reserves	14	3,498	328,700
Accumulated losses		<u>(26,556,922)</u>	<u>(28,190,875)</u>
Total equity		<u>12,403,303</u>	<u>11,094,552</u>

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 2023



	Share capital \$	Other reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	38,820,612	667,943	(28,475,790)	11,012,765
Profit after income tax for the half-year	-	-	100,813	100,813
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	100,813	100,813
<i>Transactions with ordinary equity holders in their capacity as ordinary equity holders:</i>				
Issue of shares to third party (note 13)	100,000	-	-	100,000
Loan shares paid (note 13)	36,115	(9,015)	-	27,100
Share-based payments (note 14)	-	17,916	-	17,916
Performance rights forfeited (note 14)	-	(28,859)	-	(28,859)
Balance at 31 December 2022	38,956,727	647,985	(28,374,977)	11,229,735
	Share capital \$	Other reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	38,956,727	328,700	(28,190,875)	11,094,552
Profit after income tax for the half-year	-	-	1,633,953	1,633,953
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	1,633,953	1,633,953
<i>Transactions with ordinary equity holders in their capacity as ordinary equity holders:</i>				
Performance rights forfeited (note 14)	-	(146,104)	-	(146,104)
Small parcel share buy-back (note 14)	-	(179,098)	-	(179,098)
Balance at 31 December 2023	38,956,727	3,498	(26,556,922)	12,403,303

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 2023



Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	13,922,896	15,156,509
Payments to suppliers (inclusive of GST)	<u>(12,824,425)</u>	<u>(14,640,022)</u>
	1,098,471	516,487
Interest received	241,051	96,519
Interest and other finance costs paid	<u>(12,336)</u>	<u>(21,967)</u>
Net cash from operating activities	<u>1,327,186</u>	<u>591,039</u>
Cash flows from investing activities		
Payments for plant and equipment	(14,254)	(7,693)
Payments for intangibles	8 (1,345,795)	(1,150,198)
Proceeds from disposal of plant and equipment	<u>100</u>	<u>1,649</u>
Net cash outflow from investing activities	<u>(1,359,949)</u>	<u>(1,156,242)</u>
Cash flows from financing activities		
Payments for share buy-backs	14 (179,098)	-
Principal elements of lease payments	(158,179)	(139,742)
Proceeds from options exercised/loan shares paid	<u>-</u>	<u>27,100</u>
Net cash outflow from financing activities	<u>(337,277)</u>	<u>(112,642)</u>
Net decrease in cash and cash equivalents	<u>(370,040)</u>	<u>(677,845)</u>
Cash and cash equivalents at the beginning of the financial half-year	<u>12,401,436</u>	<u>11,475,785</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>12,031,396</u></u>	<u><u>10,797,940</u></u>

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



Note 1. Basis of preparation

This condensed interim financial report for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

This 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 2023 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 and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no impact to the financial report as a result of these changes.

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

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 Chief Commercial Officer (CCO) of SelfWealth Limited. The Company has identified one reportable segment; that is, to provide a flat fee securities brokerage service in Australia. The segment details are therefore fully reflected in the body of the financial statements.

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 2023	31 December 2022
	\$	\$
Equity trading revenue ¹	3,457,306	4,516,279
Membership subscription revenue ²	236,063	258,699
Interest income ³	9,862,400	9,680,615
Other revenue	8,600	12,100
	<u>13,564,369</u>	<u>14,467,693</u>

- (1) Equity trading revenue: The Company charges a flat fee for buy and sell trades, recognised at a point in time when the Company has facilitated the trading request, which is the single performance obligation. International transfer fee applies for international shares trading transactions.
- (2) Membership subscription revenue: Revenue is earned from subscription to a membership offer 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 customers' Trading Cash Account. These accounts are held in trust on behalf of clients and therefore not recognised in the Company's statement of financial position. Income is recognised over time in the accounting period in which investment relates.



Note 4. Expenses

	31 December 2023	31 December 2022
	\$	\$
Profit before income tax includes the following specific expenses:		
Cost of providing services	3,809,495	4,438,780
<i>Depreciation</i>		
Plant and equipment	24,184	53,634
Buildings right-of-use assets	152,788	152,789
Total depreciation	176,972	206,423
<i>Amortisation</i>		
Software	137,658	438,763
Total depreciation and amortisation	314,630	645,186
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	12,336	21,967
Superannuation expense	428,574	402,791
Share-based payments expense ¹	(146,103)	(10,943)
Employee benefits expense excluding superannuation ²	4,930,711	4,541,093

(1) The credit expense incorporates a credit adjustment to decrease the Share Based Payments Reserve on resignation of employees who were participating in the issue of FY21 LTI performance rights.

No performance rights have been issued under the Selfwealth LTI plan during the half year ended 31 December 2023.

(2) Includes one-off redundancy and related costs of \$766,254.

Note 5. Cash and cash equivalents

	31 December 2023	30 June 2023
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	2,030,785	2,400,825
Deposits at call	10,000,611	10,000,611
	12,031,396	12,401,436

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

	31 December 2023	30 June 2023
Cash held on behalf of customers - not recognised in the Statement of Financial Position		
Accounts established by customers directly	413,320,020	456,356,802



Note 5. Cash and cash equivalents (continued)

Cash held in Customer trading Accounts for Australian trades are held in trust on behalf of customers. These are held in segregated bank accounts and the Company cannot use these funds for any other purposes than as directed by its customers. As Selfwealth hold the trust account in its name as bare trustee for each customer, the Company has assessed that these assets are held in a fiduciary capacity rather than being assets of the Company and as such, have excluded them from the Statement of Financial Position.

The segregated bank accounts used for cash held on behalf of customers are with a major Australian financial institution. Depending on commercial arrangements, the Company may earn interest income from these accounts. These amounts are recognised as interest revenue.

Refer to Note 3. Revenue from contracts with customers, for the amount of interest revenue recognised from these accounts.

Note 6. Trade and other receivables

	31 December 2023	30 June 2023
	\$	\$
<i>Current assets</i>		
Accrued receivables	131,238	119,569
GST refundable	168,193	100,774
Other receivables	8,394	3,427
	307,825	223,770

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as the fair value.

Note 7. Right-of-use assets

	31 December 2023	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Properties - right-of-use	910,088	910,088
Less: Accumulated depreciation	(631,913)	(479,125)
	278,175	430,963

Additions to the right-of-use assets during the half-year were \$nil.

The right-of-use asset relates to the Company office premises. The lease of the office premises commenced in September 2021, for an initial period of 3 years with an option to extend for a further 5 year term. On renewal, the term of the lease is renegotiated.



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

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 2023	430,963
Depreciation expense	(152,788)
	<hr/>
Balance at 31 December 2023	278,175
	<hr/> <hr/>

Note 8. Intangibles assets

	31 December	30 June 2023
	2023	\$
	\$	\$
<i>Non-current assets</i>		
Computer software development in progress - at cost ¹	1,998,650	2,470,941
Less: Accumulated Impairment	(326,427)	(2,144,513)
	<hr/> 1,672,223	<hr/> 326,428
Domain - at cost	38,385	38,385
Less: Accumulated amortisation	(38,385)	(38,385)
	<hr/> -	<hr/> -
Patents and trademarks - at cost	488,016	488,016
Less: Accumulated amortisation	(488,016)	(488,016)
	<hr/> -	<hr/> -
Completed computer software - at cost	2,431,258	2,431,258
Less: Accumulated amortisation	(1,012,899)	(875,241)
Less: Accumulated Impairment	(775,964)	(775,964)
	<hr/> 642,395	<hr/> 780,053
	<hr/> 2,314,618	<hr/> 1,106,481
	<hr/> <hr/>	<hr/> <hr/>

¹The Crypto trading software and mobile applications software development in progress intangible assets were fully impaired as at 30 June 2023.

At 31 December 2023, the gross asset and accumulated impairment balance of the cryptocurrency trading software has been removed from the intangible asset register on the basis that the Company has no intended future use in this software due to the continued cryptocurrency market instability.

Components of the mobile application software development that were impaired have also been removed from the intangible asset register at 31 December 2023 where they have been rendered obsolete by technological advancement and are being replaced.



Note 8. Intangibles assets (continued)

Reconciliations

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

	Computer software development in progress \$	Completed computer software \$	Domain \$	Patent/ Trademarks \$	Total \$
Balance at 1 July 2023	326,428	780,053	-	-	1,106,481
Additions	1,345,795	-	-	-	1,345,795
Amortisation expense	-	(137,658)	-	-	(137,658)
Balance at 31 December 2023	1,672,223	642,395	-	-	2,314,618

Note 9. Deferred tax

Consistent with the 30 June 2023 annual report, the Company has not recognised any deferred tax assets as at 31 December 2023.

Tax losses and temporary differences are only recognised when it is probable that they will be utilised against future taxable income.

The Company will continue to reassess each reporting date whether the recognition criteria for deferred tax assets has been met.

As it relates to the financial results for the half-year ended 31 December 2023, the Company has recognised and utilised the following deferred tax assets:

	31 December 2023 \$	30 June 2023 \$
<i>Non-current assets</i>		
Opening balance at 1 July 2023		
Previously unrecognised carried forward losses and temporary differences brought to account	336,308	-
Carried forward tax losses utilised	(336,308)	-
Deferred tax asset	-	-

Note 10. Trade and other payables

	31 December 2023 \$	30 June 2023 \$
<i>Current liabilities</i>		
Trade payables	842,421	928,245
Accrued expenses	1,088,031	952,994
Other payables	141,376	212,283
	2,071,828	2,093,522



Note 10. Trade and other payables (continued)

Trade payables are unsecured and are usually paid within 60 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 11. Contract liabilities

	31 December 2023 \$	30 June 2023 \$
<i>Current liabilities</i>		
Contract liabilities	<u>248,512</u>	<u>235,036</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 has not been satisfied.

Note 12. Lease liabilities

	31 December 2023 \$	30 June 2023 \$
<i>Current liabilities</i>		
Lease liability	<u>314,006</u>	<u>324,631</u>
<i>Non-current liabilities</i>		
Lease liability	-	<u>147,553</u>
	<u>314,006</u>	<u>472,184</u>

Note 13. Share capital

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	<u>235,509,569</u>	<u>236,859,569</u>	<u>38,956,727</u>	<u>38,956,727</u>



Note 13. Share capital (continued)

Details	Number of shares	Total \$
Balance at 1 July 2022	236,385,819	38,820,612
Issue at \$0.211 to MA Moelis Australia Advisory Pty Ltd (18 Aug 2022) ¹	473,750	100,000
Paid loan shares transferred from reserve to issued capital ²	-	9,015
Payment of loan shares released from Escrow pursuant to Shares Purchase Plan ^{3,4}	-	27,100
	-	-
Balance at 30 June 2023	236,859,569	38,956,727
Share buy-back of 1,350,000 shares issued to employees under Company's ESP Scheme ⁵	(1,350,000)	-
Balance at 31 December 2023	235,509,569	38,956,727

- (1) Shares issued on 18 August 2022 to MA Moelis Australia Advisory Pty Ltd and held in escrow until 17 August 2023 as part of professional services rendered as approved by the Board.
- (2) Transfer of the fair value of the remaining 180,675 paid loan shares from reserve.
- (3) Payment for 180,675 loan shares at \$0.15 relates to the ESP Loan Shares scheme dated 15 May 2019.
- (4) Of the 854,750 loan shares issued and escrowed, 674,075 loan shares have now been fully paid and released from escrow. Only 180,675 loan shares remain on foot at 31 December 2023.

(5) Shares issued to employees under the Company's ESP Scheme in May 2020 at an issue price of \$0.126 per share, funded by loans from the Company. The shares have been bought back on the 24 July 2023 with the proceeds applied to repay the loans.

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.

By way of a poll, 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 14. Other reserves

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

Share-based payments reserve

This 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.



Note 14. Other reserves (continued)

Movements in share-based payments reserve

Details	Number of performance rights	Total \$
Balance as at 1 July 2022	6,550,496	667,943
Loan shares paid and released from Escrow ¹	-	(9,015)
Performance rights forfeited due to staff resignations	(846,314)	(62,094)
Amortisation of share-based payments for loan shares and performance rights issued in prior periods	-	(75,649)
Lapse of 1,350,000 loan shares to employees ²	-	(192,485)
Balance at 30 June 2023	5,704,182	328,700
Performance rights forfeited due to staff resignations ³	(3,883,711)	(146,104)
Balance at 31 December 2023	1,820,471	182,596

- (1) Transfer of 180,675 shares with the fair value of \$0.0499 that relates to the ESP Loan Shares scheme dated 15 May 2019. Of the 854,750 loan shares issued and escrowed, 674,075 loan shares have now been fully paid and released from escrow and 180,675 loan shares remain on foot.
- (2) The 1,350,000 shares were issued to employees under the Company's ESP Scheme in May 2020 at an issue price of \$0.126 per share, funded by loans from the Company. The shares will be bought back at the same price, with the proceeds applied to repay the loans. The fair value for these shares ranged from \$0.128 to \$0.152. The buy-back occurred on 24 July 2023.
- (3) Includes Ms Whitaker's performance rights of 2,623,678 which were forfeited following her resignation on 6 July 2023.

No performance rights have been issued during the half year ended 31 December 2023.

Share buy-back reserves

This reserve is used to recognise ordinary shares to be purchased back from shareholders by the Company.

Movement in share buy-back reserves

Details	Total \$
Balance at 1 July 2023	-
Small parcel buy-back	(179,098)
Balance 31 December 2023	(179,098)

On the 20th December 2023, cash funds were transferred to the share registry for the buyback of 1,205,437 shares at a total of \$179,098. The acquisition and cancellation of the shares under the small parcel buy-back did not take place in December as envisaged. The small parcel buy-back was effective 3 January 2024.

Note 15. Dividends

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



Note 16. Events after the reporting period

On the 3rd January 2024, the acquisition and cancellation of 1,205,437 ordinary shares took place under the Small Parcel Buy-Back announced to the market on the 4 October 2023 and further announcement on the 17 November 2023 extending the closing date to 15 December 2023.

This was an on market buy-back where shareholders holding less than \$500 worth of SelfWealth Limited shares had those ordinary shares automatically purchased by the Company unless those shareholders had completed and returned the Share Retention Form by 5.00pm on 15 December 2023.

The ordinary shares purchased by the Company were at a cost of \$179,098.

No other matter or circumstance has arisen since 31 December 2023 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. Earnings per share

	31 December 2023	31 December 2022
	\$	\$
Profit after income tax	<u>1,633,953</u>	<u>100,813</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	235,509,569	236,733,407
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>2,479,541</u>	<u>5,976,048</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>237,989,110</u>	<u>242,709,455</u>



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 2023 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

A handwritten signature in blue ink, appearing to read 'C. Christian', with a long horizontal flourish extending to the right.

Ms Christine Christian AO
Non-Executive Chair

26 February 2024
Melbourne

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Independent Auditor's Review Report

To the Members of SelfWealth Limited

Report on the half year 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 2023, 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 Company financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- 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.

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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 2023 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



D G Ng
Partner – Audit & Assurance

Melbourne, 26 February 2024