
Appendix 4 D
Interim Financial Report
for the half year ended 31 December 2022



Selfwealth Limited
ABN 52 154 324 428
Level 7, 130 Lonsdale St
Melbourne, Victoria, 3000

Selfwealth 



1. Company details

Name of entity:	SelfWealth Limited
ABN:	52 154 324 428
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	45.8% to	14,467,693
Profit from ordinary activities after tax	up	104.2% to	100,813
Profit for the half-year	up	104.2% to	100,813

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>3.86</u>	<u>3.34</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.



SelfWealth Limited

ABN 52 154 324 428

Interim Financial Report - 31 December 2022



Directors	Mr Robert Edgley - Non-Executive Chairman Mr John O'Shaughnessy - Non-Executive Director (resigned 19 January 2023) Mr Tam Vu - Non-Executive Director (resigned 31 October 2022) Ms Jodie Leonard - Non-Executive Director (appointed 12 September 2022 and resigned 16 February 2023) Mr Huy Truong - Non-Executive Director (appointed 20 September 2022 and resigned 16 February 2023) Ms Catherine Whitaker - Managing Director and CEO Mr Emanuel Datt - Non-Executive Director (appointed 16 February 2023)
Company secretary	Ms Mandy Drake (retires 8 May 2023)
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
Contents
31 December 2022



Directors' report	3
Auditor's independence declaration	5
Condensed statement of profit or loss and other comprehensive income	6
Condensed statement of financial position	7
Condensed statement of changes in equity	8
Condensed statement of cash flows	9
Notes to the condensed financial statements	10
Directors' declaration	18
Independent auditor's report to the members of SelfWealth Limited	19



The Directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2022.

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 John O'Shaughnessy - Non-Executive Director (resigned 19 January 2023)

Mr Tam Vu - Non-Executive Director (resigned 31 October 2022)

Ms Jodie Leonard - Non-Executive Director (appointed 12 September 2022 and resigned 16 February 2023)

Mr Huy Truong - Non-Executive Director (appointed 20 September 2022 and resigned 16 February 2023)

Ms Catherine Whitaker - Managing Director and CEO

Mr Emanuel Datt - Non-Executive Director (appointed 16 February 2023)

Principal activities

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

- Online, low cost share trading services on the Australian, USA and Hong Kong stock exchanges.
- Supporting retail investor communities in Australia through independent thought leadership, supporting materials, and community investing metrics.

Review of operations

Selfwealth delivered record revenue for the six months to 31 December 2022 of \$14.5m, an increase of 45.8% on the comparative period, primarily driven by strong net interest margin.

A profit after income tax of \$0.1m was delivered for the 6 months to 31 December 2022, an increase of \$2.5m versus the H1 FY22 comparative period, and the first time that the Company has delivered a profit after tax.

During the half, the product build for the cryptocurrency trading solution was completed, however due to the global collapse of FTX in November 22 and increased regulatory uncertainty, the decision was made to delay the launch until market conditions improve and there is greater regulatory clarity. As a result of this decision, and in order to comply with Australian Accounting Standards, the crypto software development costs have been fully impaired at 31 December 2022. Our intention remains to offer crypto as a trading solution to customers in the future, and we will continue to monitor and assess the situation.

Client cash balances which are the driver of net interest margin revenue for the Company, reduced 9.7% versus H1 FY22 to \$582.9m which was expected given the rising interest rate environment.

Cash and cash equivalents at H1 FY23 were \$10.8m and the Company is fully funded to execute on its current growth strategy.

The Company continues to have no debt.

Please refer to the investor presentation released on the ASX on 21 February 2023 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

Mr John O'Shaughnessy has resigned as a Non-Executive Director of the Company, effective from the 19th January 2023. Mr Huy Truong and Ms Jodie Leonard have resigned as Non-Executive Directors of the Company, effective from the 16th February 2023.

Mr Emanuel Datt was appointed Non-Executive Director of the Company on the 16th February 2023.

Mr Robert Edgley has advised that he will not be standing for reelection as a Non-Executive Director at the 2023 AGM.

Ms Mandy Drake has advised her intention to retire as Company Secretary and Chief Financial Officer effective from the 8th May 2023.



No other matter or circumstance has arisen since 31 December 2022 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 black ink, appearing to read 'Robert Edgley', written over a horizontal line.

Mr Robert Edgley
Non-Executive Chairman

23 February 2023
Melbourne

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2022, 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 review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 23 February 2023

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

SelfWealth Limited
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	31 December 2022 \$	31 December 2021 \$
Revenue			
Revenue from contracts with customers	3	14,467,693	9,924,867
Cost of providing services		(4,438,780)	(5,465,321)
Gross profit		10,028,913	4,459,546
Other income	4	-	6,000
General and administrative expenses		(6,858,226)	(5,113,952)
Selling and marketing expenses		(1,370,003)	(1,785,154)
Impairment losses	8	(1,774,423)	-
Operating profit/(loss)		26,261	(2,433,560)
Finance income		96,519	19,069
Finance expenses		(21,967)	(5,449)
Finance costs - net		74,552	13,620
Profit/(loss) before income tax		100,813	(2,419,940)
Income tax		-	-
Profit/(loss) after income tax for the half-year		100,813	(2,419,940)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		100,813	(2,419,940)
Total comprehensive income for the half-year is attributable to:			
Ordinary Equity Holders of SelfWealth Limited		100,813	(2,419,940)
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations			
Basic earnings per share	16	0.04	(1.04)
Diluted earnings per share	16	0.04	(1.04)

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 2022



	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		10,797,940	11,475,785
Trade and other receivables	6	296,886	587,023
Other assets		285,123	200,171
Total current assets		<u>11,379,949</u>	<u>12,262,979</u>
Non-current assets			
Plant and equipment		77,540	124,341
Right-of-use assets	7	581,260	734,049
Intangibles assets	8	2,087,654	3,150,642
Other assets		580,355	580,355
Total non-current assets		<u>3,326,809</u>	<u>4,589,387</u>
Total assets		<u>14,706,758</u>	<u>16,852,366</u>
Liabilities			
Current liabilities			
Trade and other payables	9	1,912,668	3,561,661
Contract liabilities	10	237,822	271,580
Lease liabilities	11	305,483	287,047
Employee benefits obligations		635,355	1,183,474
Total current liabilities		<u>3,091,328</u>	<u>5,303,762</u>
Non-current liabilities			
Lease liabilities	11	314,006	472,184
Employee benefits obligations		71,689	63,655
Total non-current liabilities		<u>385,695</u>	<u>535,839</u>
Total liabilities		<u>3,477,023</u>	<u>5,839,601</u>
Net assets		<u>11,229,735</u>	<u>11,012,765</u>
Equity			
Share capital	12	38,956,727	38,820,612
Other reserves	13	647,985	667,943
Accumulated losses		<u>(28,374,977)</u>	<u>(28,475,790)</u>
Total equity		<u>11,229,735</u>	<u>11,012,765</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 2022



	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)
Transactions with ordinary equity holders in their capacity as ordinary equity holders:				
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
	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
Transactions with ordinary equity holders in their capacity as ordinary equity holders:				
Issue of shares to third party (note 12)	100,000	-	-	100,000
Loan shares paid (note 12)	36,115	(9,015)	-	27,100
Share-based payments (note 13)	-	17,916	-	17,916
Performance rights forfeited (note 13)	-	(28,859)	-	(28,859)
Balance at 31 December 2022	38,956,727	647,985	(28,374,977)	11,229,735

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 2022



	Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		15,156,509	10,565,434
Payments to suppliers (inclusive of GST)		<u>(14,640,022)</u>	<u>(12,641,794)</u>
		516,487	(2,076,360)
Interest received		96,519	19,069
Interest and other finance costs paid		<u>(21,967)</u>	<u>(5,449)</u>
Net cash inflow/(outflow) from operating activities		<u>591,039</u>	<u>(2,062,740)</u>
Cash flows from investing activities			
Payments for plant and equipment		(7,693)	(199,571)
Payments for intangibles	8	(1,150,198)	(1,386,680)
Payment for other non-current assets		-	(55,355)
Proceeds from disposal of plant and equipment		<u>1,649</u>	<u>2,017</u>
Net cash outflow from investing activities		<u>(1,156,242)</u>	<u>(1,639,589)</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		(139,742)	(68,547)
Proceeds from options exercised/loan shares paid		<u>27,100</u>	<u>50,400</u>
Net cash inflow/(outflow) from financing activities		<u>(112,642)</u>	<u>11,056,676</u>
Net increase/(decrease) in cash and cash equivalents		(677,845)	7,354,347
Cash and cash equivalents at the beginning of the financial half-year		<u>11,475,785</u>	<u>7,525,351</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>10,797,940</u></u>	<u><u>14,879,698</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 2022 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 2022 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 a 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 profit of \$0.1m and had net operating cash inflow of \$0.6m for the half-year ended 31 December 2022. As at 31 December 2022, the Company held cash and cash equivalents of \$10.8m.

Management is in the process of finalising the Company's 3-year strategic plan, including the internal forecast for the next 3 years. As part of this process, the Board has ensured clear operational parameters are in place to deliver sustainable growth. On this basis, the Board has considered the cash position of the company for 12 months from the date of this report and believes that the Company 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 a going concern basis.

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 2022	31 December 2021
	\$	\$
Equity trading revenue ¹	4,516,279	7,198,327
Membership subscription revenue ²	258,699	270,401
Interest income ³	9,680,615	2,434,653
Other revenue	12,100	21,486
	<u>14,467,693</u>	<u>9,924,867</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 clients 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. Other income

	31 December 2022	31 December 2021
	\$	\$
Sundry income	-	6,000
	<u>-</u>	<u>6,000</u>



Note 5. Expenses

	31 December 2022	31 December 2021
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
Cost of providing services	4,438,780	5,465,321
<i>Depreciation</i>		
Plant and equipment	53,634	42,092
Buildings right-of-use assets	152,789	65,911
Total depreciation	206,423	108,003
<i>Amortisation</i>		
Domain	-	13,422
Patents and trademarks	-	4,713
Software	438,763	-
Total amortisation	438,763	18,135
Total depreciation and amortisation	645,186	126,138
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	21,967	5,449
Superannuation expense	402,791	205,619
Share-based payments expense ¹	(10,943)	212,473
Employee benefits expense excluding superannuation	4,541,093	3,227,246

(1) The credit expense relates to an adjustment to the fair value estimate of the performance condition for the FY24 performance rights. LTI incentive offers are yet to be made to management for FY23 and are expected to be expensed in the second half of 2023.

Note 6. Trade and other receivables

	31 December 2022	30 June 2022
	\$	\$
<i>Current assets</i>		
Accrued receivables	208,825	145,026
GST refundable	88,061	134,335
Other receivables	-	307,662
	296,886	587,023



Note 7. Right-of-use assets

	31 December 2022	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Properties - right-of-use	1,197,838	910,088
Less: Accumulated depreciation	(616,578)	(176,039)
	<u>581,260</u>	<u>734,049</u>

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

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 2022	734,049
Depreciation expense	(152,789)
Balance at 31 December 2022	<u>581,260</u>

Note 8. Intangibles assets

	31 December 2022	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Computer software development in progress - at cost	2,743,693	2,620,755
Less: Impairment	(1,340,879)	-
	<u>1,402,814</u>	<u>2,620,755</u>
Domain - at cost	-	38,385
Less: Accumulated amortisation	-	(38,385)
	-	-
Patents and trademarks - at cost	-	74,923
Less: Accumulated amortisation	-	(74,923)
	-	-
Completed computer software - at cost	1,605,319	578,059
Less: Accumulated amortisation	(486,935)	(48,172)
Less: Impairment	(433,544)	-
	<u>684,840</u>	<u>529,887</u>
	<u>2,087,654</u>	<u>3,150,642</u>



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 2022	2,620,755	529,887	-	-	3,150,642
Additions	1,150,198	-	-	-	1,150,198
Impairment of assets ¹	(1,340,879)	(433,544)	-	-	(1,774,423)
Transfers in/(out)	(1,027,260)	1,027,260	-	-	-
Amortisation expense	-	(438,763)	-	-	(438,763)
Balance at 31 December 2022	1,402,814	684,840	-	-	2,087,654

- (1) The carrying value of the Crypto trading solution at 31 December 2022 of \$1,340,879 has been fully impaired due to the delay of the launch date until the market stabilises and greater regulatory clarity is provided.

The carrying value of Hong Kong trading platform after amortisation of \$433,544, has been fully impaired. Management is of the opinion, that based on current assumptions, the 3 year undiscounted cashflows do not support the carrying value at 31 December 2022.

Note 9. Trade and other payables

	31 December 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Trade payables	911,089	2,831,065
Accrued expenses	660,687	510,779
Other payables	340,892	219,817
	1,912,668	3,561,661

Note 10. Contract liabilities

	31 December 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Contract liabilities	237,822	271,580

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 11. Lease liabilities

	31 December 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Lease liability	<u>305,483</u>	<u>287,047</u>
<i>Non-current liabilities</i>		
Lease liability	<u>314,006</u>	<u>472,184</u>
	<u>619,489</u>	<u>759,231</u>

Note 12. Share capital

	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$	30 June 2022 \$
Ordinary shares - fully paid	<u>236,859,569</u>	<u>236,385,819</u>	<u>38,956,727</u>	<u>38,820,612</u>

Details	Number of shares	Total \$
Balance at 1 July 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)	75,000	26,250
Released from Escrow pursuant to ESP Loan Shares scheme (20 Sep 2021)	-	149,610
Paid loan shares transferred from reserve to issued capital	-	99,632
Issue at \$0.33 to Director Rob Edgley (26 Oct 2021)	553,250	182,573
Less: capital raising costs	-	(660,676)
Loan shares forfeited due to staff resignation	(200,000)	-
	-	-
Balance at 30 June 2022	<u>236,385,819</u>	<u>38,820,612</u>
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 31 December 2022	<u>236,859,569</u>	<u>38,956,727</u>

- (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 2022.



Note 12. Share capital (continued)

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 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.

Movements in share-based payments reserve

Details	Number of performance rights	Total \$
Balance as at 1 July 2021	1,431,617	635,907
Issue of shares to Director Rob Edgley	-	(243,430)
Loan shares paid and released from Escrow	-	(99,632)
Performance rights forfeited due to staff resignations	(1,064,302)	(103,810)
Performance rights issued under ESOP for FY22	6,183,181	298,035
Amortisation of share-based payments for loan shares and performance rights issued in prior periods	-	203,688
Loan shares forfeited due to staff resignation	-	(22,815)
Balance at 30 June 2022	6,550,496	667,943
Loan shares paid and released from Escrow ¹	-	(9,015)
Performance rights forfeited due to staff resignations	(574,448)	(28,859)
Amortisation of share-based payments for loan shares and performance rights issued in prior periods ²	-	17,916
Balance at 31 December 2022	5,976,048	647,985

- (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) Amortisation of share based payments for the 6 months to 31 December 2022 includes a credit adjustment to the fair value of the FY24 performance condition of \$176,647.

No performance rights were issued during the half year ended 31 December 2022.

Note 14. Dividends

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



Note 15. Events after the reporting period

Mr John O'Shaughnessy resigned as a Non- Executive Director of the Company, effective from the 19 January 2023.
Ms Mandy Drake has announced her intention to retire as Company Secretary and Chief Financial Officer, effective 8 May 2023.

No other matter or circumstance has arisen since 31 December 2022 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 16. Earnings per share

	31 December 2022 \$	31 December 2021 \$
Profit/(loss) after income tax	<u>100,813</u>	<u>(2,419,940)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	236,733,407	231,842,502
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>5,976,048</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>242,709,455</u>	<u>231,842,502</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 2022 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 black ink, appearing to read 'Robert Edgley', written in a cursive style.

Mr Robert Edgley
Non-Executive Chairman

23 February 2023
Melbourne

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2022, 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 financial position as at 31 December 2022 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.

www.grantthornton.com.au

ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

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 2022 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, 23 February 2023

