

ASX release

Cashwerkz Limited [ASX: CWZ]: delivering growth for investors and achieving key targets

Total Revenue up 38% to \$1.152m, Revenue from contracts with customers up 25% to \$1.033m; \$2.7b in Total Inflows to the Platform in less than two years (of which \$2.341b were Total Inflows this financial year); \$1.028b in funds scheduled for future maturity as at June 30 2019 compared to \$324m as at June 30 2018.

Sydney, 30 August - Cashwerkz Limited is pleased to present its investor update for 30 June 2019. We continue to deliver on our growth strategy, operating a market-first, streamlined and unique approach to investing in at call and term deposits and bonds. We meet the growing demand for choice, transparency and a secure online platform, direct investors and financial professionals can access to manage defensive assets and transact cash investments.

Key financial highlights for FY 2019

- **Total Inflow** of funds to the platform since activation date (August 2017) \$2.7b.
- **Total Inflow** of funds to the platform for FY19 of \$2.341b. Consisting of: Q1: \$535m; Q2: \$579m; Q3: \$681m and Q4: \$546m.
- **Net Inflow** (Inflows less redemptions) for FY19 of \$704m. Consisting of Q1: \$445m, Q2: \$230m, Q3: \$135m, Q4: -\$106m.
- **Active funds** scheduled for future maturity as at 30 June 2019 of \$1.028b, compared to \$324m as at 30 June 2018, a 317% increase for the period.
- **Revenue** increased by 38%, to \$1.152m versus FY18 revenues of \$836k.
- **Cash on hand** at the end of FY19 was \$5.15m, versus \$402k in the previous year. There were no borrowings at the end of FY19, versus last year's figure of \$4m.
- **Steady customer loyalty**, with 77% of customers reinvesting on the platform.
- **43 Authorised Deposit Taking Institution (ADI)** partners differing across each segment on the platform.
- **RIM Securities** continued to add value to the Cashwerkz marketplace and technology platform with availability of 17 additional ADI partners for wholesale and institutional investors.

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- **Innovation** of a revolutionary easy-to-use online ordering system for brokers to review and place investments At Call – classified as a ‘game changer’ for brokers. Brokers can now access 3 ADIs with market competitive rates for At Call cash solutions.
- **Praemium and IRESS** data feed partners now provide ability to add significant number of advisers and dealer group participants.

This year, the business reported a 2019 consolidated net loss after tax of \$7.314m. This included; \$4.284m in employment costs of which \$984k was for employee share based payment options, depreciation and amortisation costs of \$1.311m, finance costs of \$214k and operating and other costs of \$2.656m.

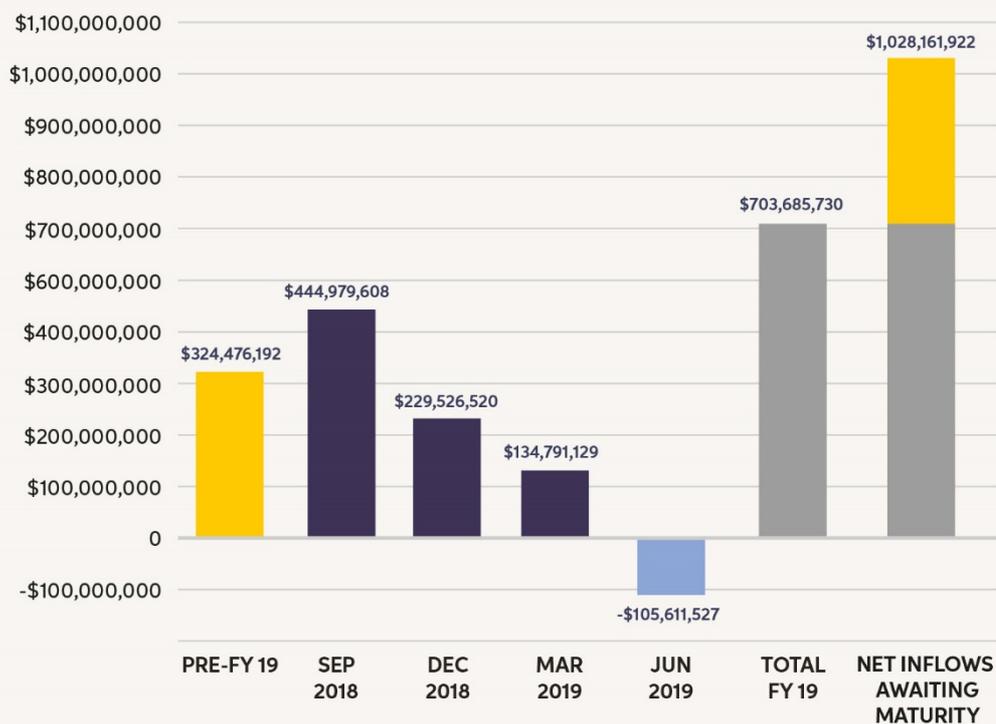
For the FY18 to FY19 comparison, the demerger of Jimmy Crow Limited and the acquisition of Cashwerkz Pty Ltd resulted in once off non-cash revenues totalling \$3.003m being recorded. The increase in expenses from FY18 mainly comprise of the newly introduced share-based payment options for our staff, the additional wage costs to specifically target deposit growth, and some related operating costs to provide for software and technical needs. No part of employment or other operating expenses has been capitalised despite the significant proportion of these cost which directly contribute to adding present and future value to the of the Cashwerkz platform.

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Cashwerkz. Quarterly net inflows for FY19



From June 30, 2018 to June 30, 2019, Cashwerkz grew the spot “waiting to mature” funds on our platform from \$324m to \$1.028b during a period of unprecedented change in the industry and our first full year of operations. Proving the platform worked was critical and the fact that we saw significant total inflows of just over \$2.3b for the period, while growing the waiting to mature balances, provides a significant level of confidence about the scalability and market for our business. Having raised net \$9m in only October 2018 and moving from less than 10 ADI’s to now over 43, all of whom trust our KYC/AML process and onboarding, Cashwerkz was able to start to build its distribution network, sales pipeline and marketing strategy.

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Over the last 8 months we saw the impact of the Royal Commission into Banking and the slow-down in the financial adviser market as they focused on compliance, ADI's reduce their need for capital as they slow their lending growth, the RBA cut rates by 50bps to take us to the lowest level in Australia's history, and the continual hunt for yield see funds flow to higher yielding equities especially in the last quarter.

As we are only one year old in any real sense, any forecasting or predicting of flows should be met with caution given the swings in what is very early days for the platform. For example, a large provider of funds in the later periods as shown above, matured over \$120M off the platform from only a few clients. This amount had an exaggerated effect on our spot reporting given the early stage of our business but we expect such movements will smooth out and impact us less as we grow.

Despite this we were able to grow our number of accounts, ADI's, pass through volumes, spot balances, and importantly for the year ahead grow our pipeline of distribution partners.

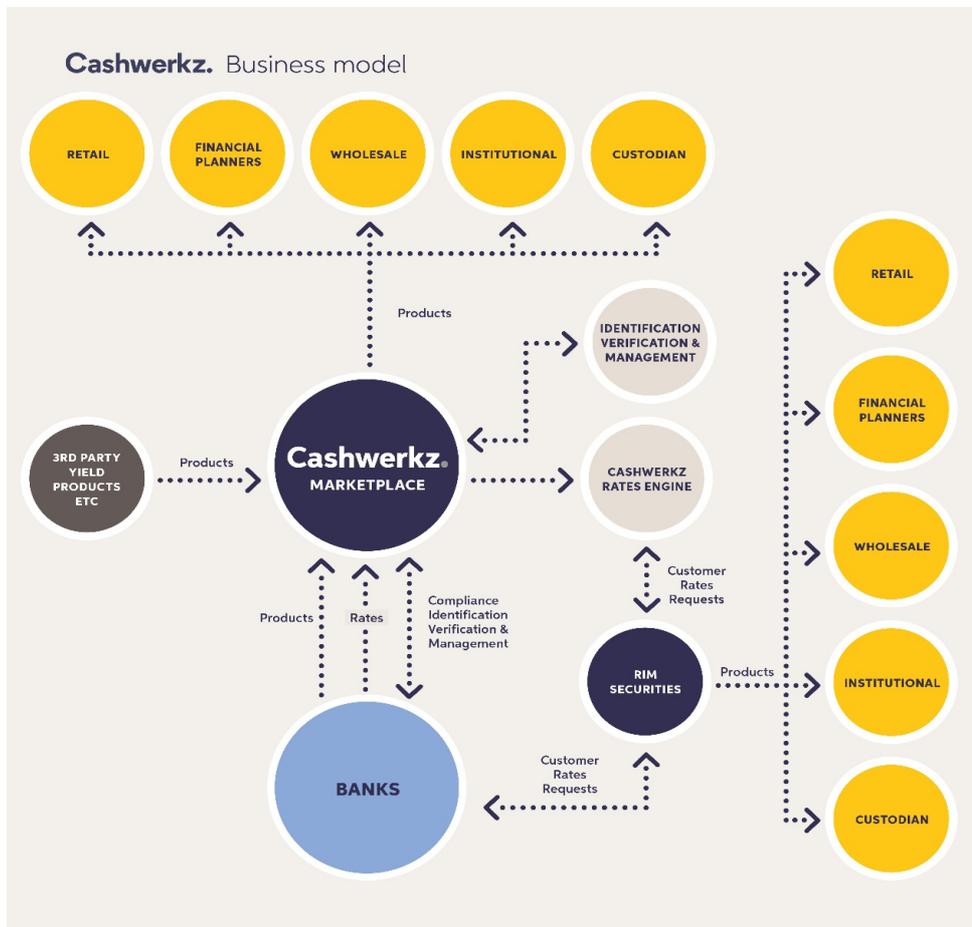
New name reflects fintech positioning supported by long-term experience

During the year, Cashwerkz formally changed its name from Trustees Australia Limited to Cashwerkz Limited. The new name signals its position as one of the most innovative fintechs in the market. Subsidiary Redgate Asset Management was renamed Trustees Australia, reflecting the value of the latter's correspondingly unique corporate identity and opportunity.

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Strategically pursuing new relationships and partnerships

Cashwerkz has secured relationships with a number of significant new partners, such as integrated managed accounts platform, Praemium. Its customer base of financial advisers is now able to access the benefits of the Cashwerkz platform, providing greater efficiencies for advice businesses.

Adding more value to the wholesale and institutional sector

RIM Securities has ramped up sales activity with growing focus on larger dealer groups and platforms that need an efficient cash solution that complements their offering. Dealer groups with central desks and/or those with large cash balances have the potential to derive substantial benefits from Cashwerkz' technology, no matter how they structure their relationships with financial planners.

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Our superior record keeping capabilities also assist dealer groups to meet their KYC/AML compliance obligations with our Identification Verification and Management solution, an important consideration in a post-Royal Commission environment. As such, more platforms that seek to build relationships with providers such as Cashwerkz with API experience are engaging us in detailed conversation.

Market leading products

The number of products available on the platform continues to grow, with Cashwerkz' revolutionary approach to connecting ADIs and investors to dynamic at-call opportunities augmenting term deposits investors can access through the Cashwerkz online cash marketplace.

Outlook

This is only the beginning of Cashwerkz' journey. We are fortunate to have been able to build the right marketplace in this segment.

We aim to add more banks, products, and features to the platform in the coming quarter – further differentiating the Cashwerkz marketplace from any other offering available today.

This will allow the business to continue to assist trustees, custodians and financial planners to address the regulatory challenges they face. At the same time, Cashwerkz continues to create process efficiencies around term deposit, NCDs and cash investing. This helps banks & custodians support their customers' best interests by ensuring they have access to a wide selection of investment options. This will become increasingly important as rates and margins reduce and the market looks for options with embedded automation.

Finally, we are reviewing the potential to expand our licence to a Tier 2 Australian markets licence to benefit customers, investors and banks and anticipate this will only continue to improve the efficiencies we are able to offer in the future.

Further Details:

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CEO

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Cashwerkz Limited

The Cashwerkz Limited group of companies delivers an innovative online cash management marketplace in term deposit and At Call, whilst providing funding to over 43 Authorised Deposit taking Institutions and

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thousands of financial advisers and direct investors. Listed on the Australian Securities Exchange (ASX: CWZ) the group is headquartered in Australia.

Cashwerkz Technologies

Cashwerkz Technologies Pty Ltd (Cashwerkz Technologies) leverages the latest technology to deliver an innovative and streamlined approach to investing in term deposits and bonds, meeting the growing demand for a trusted, reliable and secure online platform direct investors and financial professionals can manage their defensive assets and transact cash investments seamlessly. Cashwerkz Technologies is a subsidiary of its parent company, Cashwerkz Limited alongside fixed interest solution experts, RIM Securities.

RIM Securities

RIM Securities established 14 years ago, is the independent fixed income specialist arm of Cashwerkz Limited. RIM securities have extensive experience in searching for the value to deliver stable income solutions to all types of investors who require custom solutions or access to wholesale markets across cash, term deposits and fixed bonds and floating rate notes.

www.cashwerkz.com.au | @cashwerkz

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