

Quarterly Activities Report Appendix 4C

Quarter 3, Financial Year 2020

6th April, 2020

SelfWealth Ltd
Level 2, 613 Canterbury Road
Surrey Hills, 3127, Victoria, Australia

A man and a woman are looking at a laptop screen. The man is on the left, wearing a red and blue plaid shirt over a purple t-shirt. The woman is on the right, wearing a white t-shirt and a plaid shirt. They are both smiling and looking at the laptop screen. The background is a blurred indoor setting with large windows.

SelfWealth[®]

Trade smarter. Every time.

Our goal is to empower people to build their own wealth, which is why we've created a place where every investor can learn and benefit from the experience of a large community.

It's a revolutionary way to trade and it's more affordable, too.

SelfWealth. Trade smarter. Every time.

Quarterly Activities Report

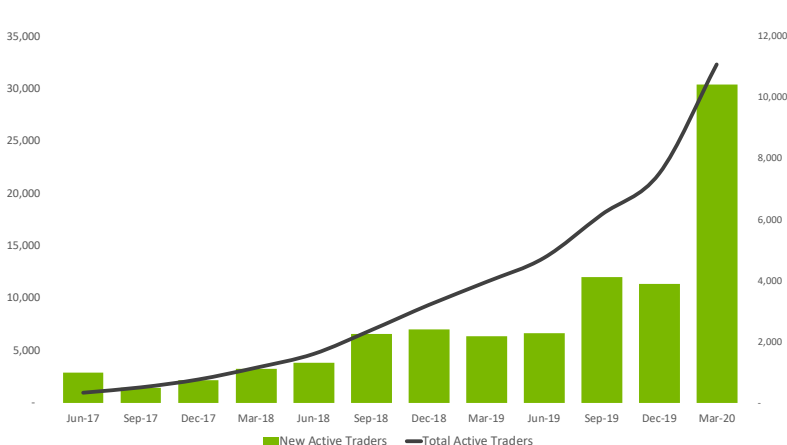
Highlights

- Accelerated growth in 'active traders' joining the platform. Up 48% quarter-on-quarter, to 32,313.
- Operating revenue exceeds \$2m. Up 74% quarter-on-quarter.
- Cash burn reduced from \$535k to \$70k. Down 87% quarter-on-quarter.
- Value of 'client cash held' hits a record high of \$359m. Up 164% quarter-on-quarter.
- Quarterly trade volumes reach 161k. Up 103% quarter-on-quarter.
- Successful capital raise of \$3m completed early March.
- Company continues to operate smoothly with no negative impact from COVID-19.

Operating Revenue by Quarter ('000)



Active Trader Growth by Quarter



Melbourne, Australia – 6th April 2020: SelfWealth Ltd (ASX: SWF) ("SelfWealth" or "the Company"), has released its third FY20 Quarterly Cash Flow and Activities Report which shows accelerating 'active trader' growth quarter-on-quarter and growth in all key revenue-generating performance indicators.

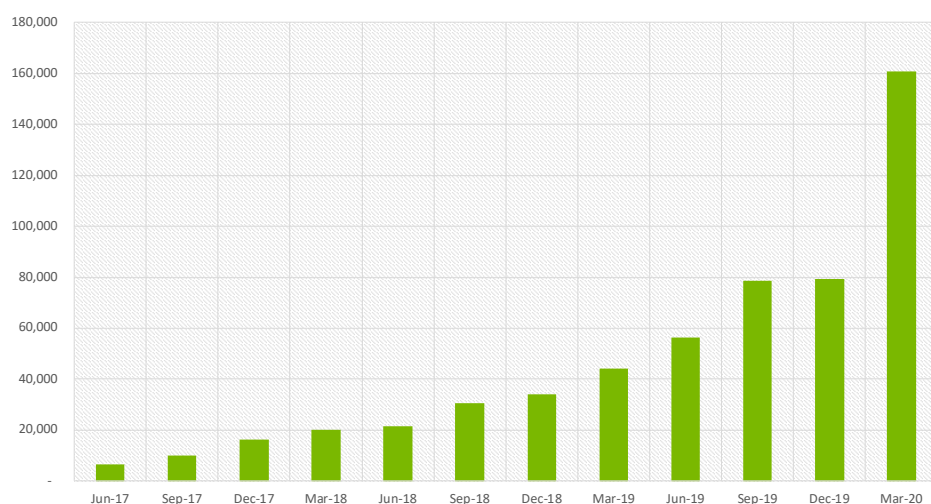
Commenting on the quarterly result, SelfWealth's Acting CEO, Mr Rob Edgley said, "The March quarter results signify a great advancement in the Company's progress. The results confirm that the marketplace for SelfWealth's retail trading platform is expanding significantly, with the Company's highly scalable and well-performing solution placing it in the ideal position to benefit from this expansion.

"SelfWealth continues to increase its market share in the online broking industry, as Australians of all ages and experience seeking to build wealth through affordable investing, join the platform. After exhibiting strong growth over the last 12 months, the rate of growth in new clients joining SelfWealth accelerated further with an additional 10,420 'active traders' joining our platform in the past three months.

"This large increase in client numbers has had the expected flow-on impact to revenue with the Company recording its first monthly operating revenue in excess of \$1m in March. There is no doubt that the recent market volatility and the ultra-low interest rate environment has created significant interest in the stock market. With 32,313 active traders at the end of the quarter and new client acquisition growth showing no signs of abating, the Company is in a strong position to grow revenues further."

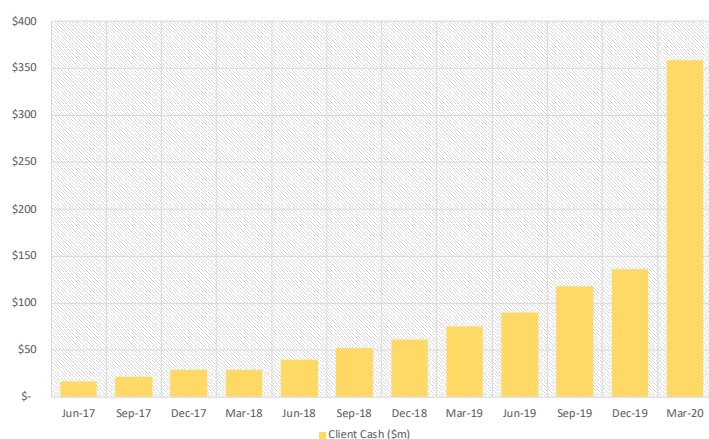
Retail Trading Platform Key Performance Indicators

Trade Growth by Quarter

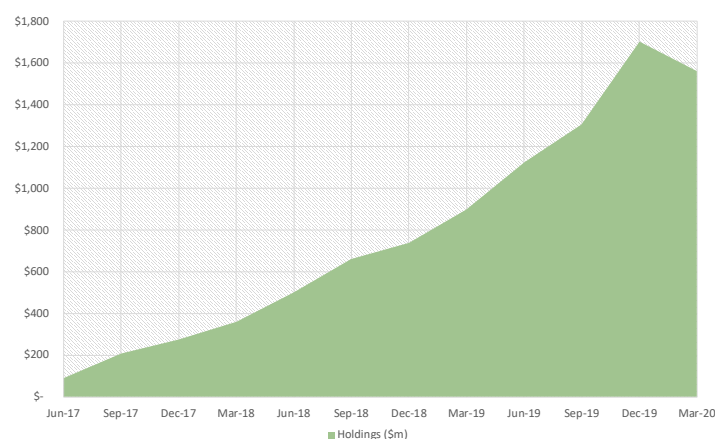


Market volatility and an influx of new 'active traders' drove a doubling of trade volumes across the March quarter.

Total Client Cash by Quarter



Total Securities Held on HIN by Quarter



The March quarter saw an increase in new investors joining the platform and strong levels of deposits from existing clients. This combined with some net selling of existing positions has resulted in a 164% quarter-on-quarter growth in 'client cash held.' The value of client owned securities on HIN has lowered inline with the market decline witnessed during the quarter.

SelfWealth SMSF Leaders ETF

The SelfWealth SMSF Leaders ETF, which is an index-based ETF, was launched at the start of November and continues to be supported by the distribution strategy, which is being rolled out as planned. For more information, please consult the Product Disclosure Statement, found at etf.selfwealth.com.au.

Product and Technology Update

Key improvements to the trading platform were implemented during the quarter, with the Company focused on improving the client on-boarding experience and adding features to facilitate the opening of multiple accounts under one login. These changes are designed to encourage existing investors to switch all portfolios across to the SelfWealth ecosystem, which will allow the Company to maximise the business it receives from individuals trading with multiple accounts.

Despite extremely volatile trading days, and unprecedented volumes, the platform has performed exceptionally well with no outages recorded. Mr Edgley had this to add, "It is very pleasing to see our technology performing so well during these volatile periods. Process automation has allowed us to onboard thousands of new clients during the quarter, including 6,221 new clients in the month of March alone."

SelfWealth Adviser Platform

The SelfWealth Adviser platform continues to gain momentum, this quarter adding 6 new AFSL groups to the Company's growing list of approved licensees. That brings the total to over 35, translating to 120 advisers registered on the platform, and access to over 1,200 advisers to further increase the SelfWealth footprint.

The economic environment has triggered a large uptick in inbound enquires from advisers, who have highlighted the efficient and low cost features of the SelfWealth Adviser Platform as important factors in servicing their clients. The sales team grew this quarter in order to support several bulk transition opportunities and the growing pipeline of licensees, advisers and other intermediaries interested in the platform.

Cash Burn

As expected, with a substantial increase in new clients, quarterly revenue grew and subsequently reduced the cash burn for the quarter to \$70k, down 87% quarter-on-quarter. While there is an upfront cost in acquiring and onboarding new clients, these new clients are adding to trading volumes and cash deposits on the platform.

The current trend suggests that the financial position of the Company will continue to improve over the coming quarters. Subsequent to a successful capital raise in March, the Company has a net cash position of \$4.3m and no outstanding debt. This strong balance sheet allows the Company to continue to invest in new revenue streams, such as international equity trading, which is on track to launch later in 2020.

The Impact of COVID-19

The Company has seamlessly shifted to a 'working from home' environment, with no negative impact on productivity or technology uptime. The company has in place a Business Continuity Plan which we are reviewing constantly to minimise the risk posed by COVID-19 and employees are encouraged to follow government and health guidelines while working away from the office. To the extent that the COVID-19 pandemic has increased trading volumes on stock markets around the world, SelfWealth has similarly seen this impact on client trading activity.

Investor Enquiries

Rob Edgley, Acting CEO
shareholders@selfwealth.com.au

Media Enquiries

Jarrold Purchase, Head of Marketing
jarrod.purchase@selfwealth.com.au

Sales Enquiries

Brendan Mutton, Head of Sales
brendan.mutton@selfwealth.com.au

Robert Edgley, Acting CEO of SelfWealth Pty Ltd has authorised the release of this announcement to the market.

Who is SelfWealth?

The Story

SelfWealth is the solution to a problem Founder and CEO Andrew Ward, a veteran of the wealth management industry, had been frustrated with for years: how to provide a fair and simple service to Australian investors, that grants them access to some of the world's most cutting edge investment insights, without breaking the bank.

Since those beginnings in 2012, Andrew has taken the company to float in late 2017 and introduced what is now known as Australia's fastest growing, only flat-fee share trading platform. The key offerings are the \$9.50 flat-fee brokerage and a community-driven insights tool that pools information from over 80,000 Australian investor portfolios.

This inquisitive company and its leadership continue to innovate and surprise the industry with new solutions to an age-old problem: how to trade smarter.

Product Suite



Share Trading Platform

Australia's cheapest and fastest growing flat-fee ASX trading platform.



Power of the Crowd

Actionable insights from over 60,000+ real investor portfolios that assist members in outperforming the market.



SelfWealth SMSF Leaders Fund

World-first Australian equities ETF driven by community data.



SelfWealth Adviser Platform

Introducing an industry-changing Adviser Platform for share trading.

SelfWealth®

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SelfWealth Ltd
ACN 154 324 428

Level 2, 613 Canterbury Road
Surrey Hills
Melbourne, VIC, 3127

shareholders@selfwealth.com.au
investors.selfwealth.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

SelfWealth Limited

ABN

52 154 324 428

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,076	4,446
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(884)	(2,603)
(c) advertising and marketing	(179)	(397)
(d) leased assets	(47)	(101)
(e) staff costs	(696)	(1,890)
(f) administration and corporate costs	(340)	(988)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	464
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(70)	(1,061)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(11)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5)	(11)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,000	3,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(165)	(166)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,835	2,834

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,544	2,542
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(70)	(1,061)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(11)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,835	2,834
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,304	4,304

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,804	1,544
5.2	Call deposits	2,500	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,304	1,544

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

177

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount at 6.1 includes payment of directors' fees and salary of managing director.

7. Financing facilities <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(70)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,304
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	4,304
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	61

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 5 April 2020

Authorised by: The Board of SelfWealth Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.