

Business Update

Appendix 4C

Quarter 2, Financial Year 2020

10th January, 2020



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.

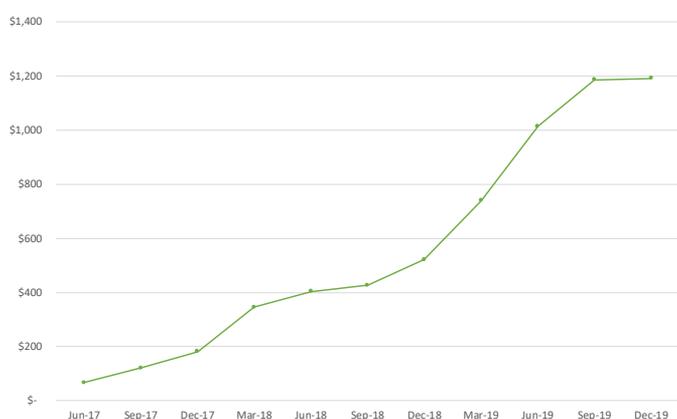
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Business Update

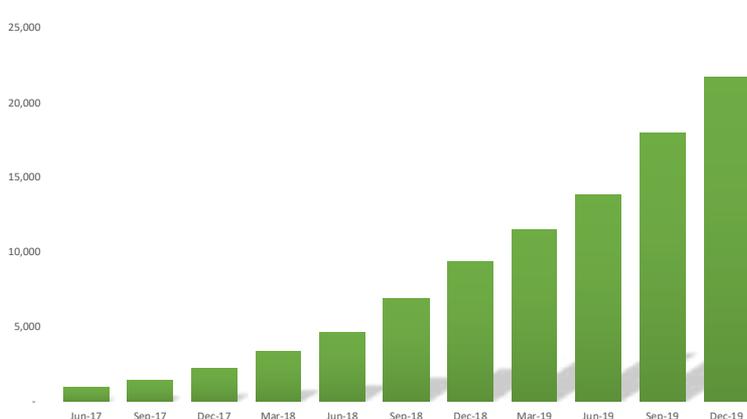
Highlights

- Quarterly trades set new record of 79,411. 2019 trading volumes finished up 134% YOY.
- New client numbers continue rapid growth to 21,716 active traders. Up 132% YOY.
- Value of 'client cash held' up 15% to \$136m from \$118m in the previous quarter. Up 123% YOY.
- SelfWealth SMSF Leaders ETF launched in November, FUM peaked at \$107m.
- Operating revenue increases slightly, despite a slower December holiday period.

Operating Revenue ('000)



Active Trader Growth



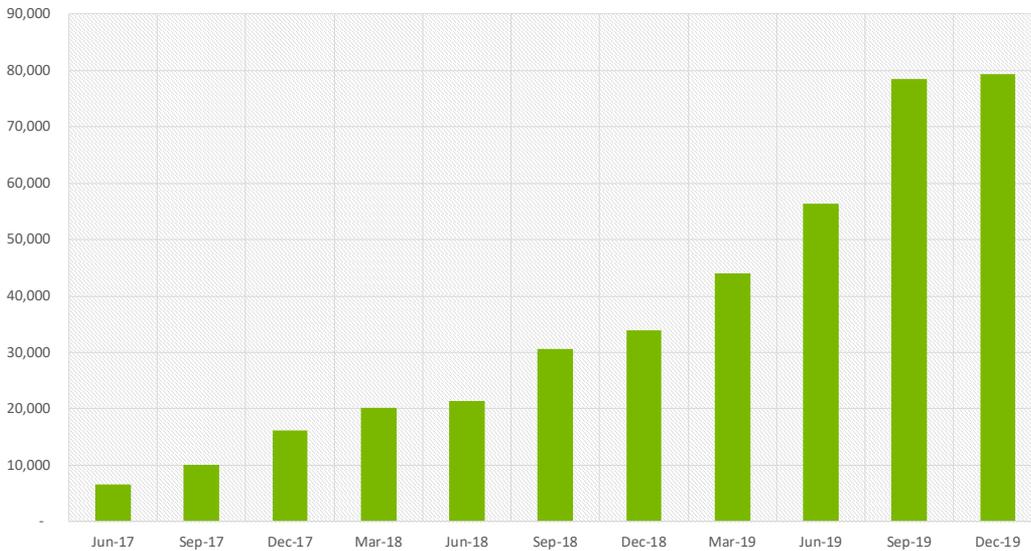
Melbourne, Australia – 10th January 2020: Australia's fastest growing online broker, SelfWealth Ltd (ASX: SWF) ("SelfWealth" or "the Company"), has released its second FY20 Quarterly Cash Flow Report and Business Update which shows strong active trader growth quarter-on-quarter and growth in all revenue-generating key performance indicators.

Commenting on the quarterly result, SelfWealth's Acting CEO, Mr Rob Edgley said, "The very strong growth in the final quarter of 2019 saw an additional 3,735 active traders join our trading platform. The continuing growth the company is experiencing will underpin strong revenue growth during 2020.

"Some notable milestones were achieved late in the year which gives us great confidence that we are on track to record further increased volumes starting in the first quarter of 2020. Before the December holiday season set in, the company achieved its highest ever monthly trade volume during October and the first week in December saw the second highest ever weekly trade numbers recorded."

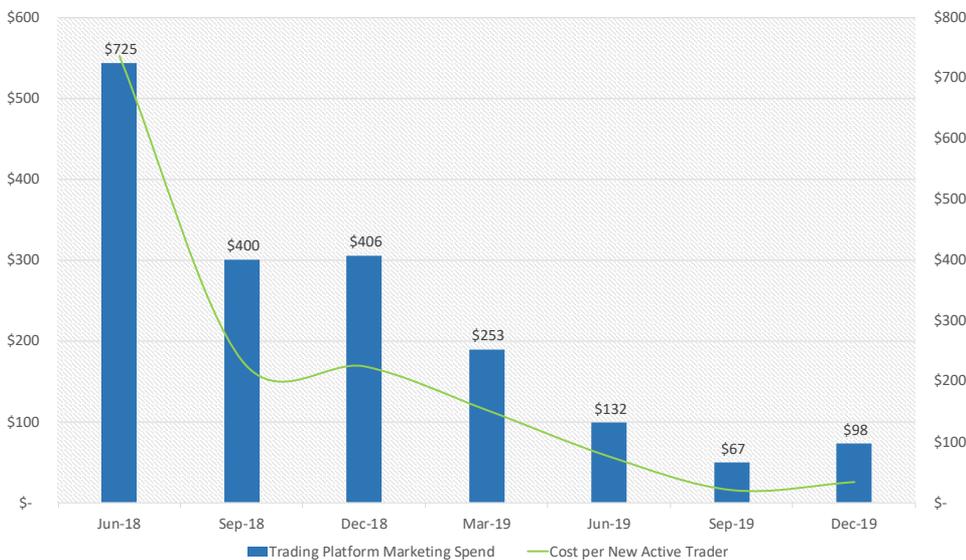
Retail Trading Platform Key Performance Indicators

Trade Growth



Trade growth continues to break quarterly records despite a slower seasonal December trade.

Cost per Active Trader



An increase in advertising spend on the retail trading platform saw the cost per new active trader increase slightly on the last quarter but still well below internal targets. The SelfWealth trading platform continues to be one of the fastest growing platforms in the industry.

Funds Under Administration (\$m)



'Client cash held' which is an important source of revenue for the retail trading platform peaked at \$143m in December and closed the quarter at \$136m, up from \$118m in the previous quarter and up 123% YOY. 'Client holdings' jumped the largest it has since the retail trading platform launched, increasing \$395m to finish at \$1.703bn.

SelfWealth SMSF Leaders ETF

The SelfWealth SMSF Leaders ETF, which is an index-based ETF, was launched at the start of November and supported with a strong marketing campaign aimed at retail investors. Supported by ETFS Australia, the responsible entity, and seeded by ETFS Capital to the tune of \$100m, SelfWealth generates revenue via a management fee of 0.48% on all FUM outside of the seed funding. An additional 80,000 units of the fund have been created since launch, to meet the demand from the market.

2020 will see SelfWealth concentrate significant resources on growing ETF FUM through both retail and advised market channels. For more information, please consult the Product Disclosure Statement, found at etf.selfwealth.com.au

Technology Update

The SelfWealth technology team has been working hard over the past three months supporting the launch of the ETF, enhancing the functionality of core systems and processes.

Mr Edgley added, "During the December quarter we released numerous enhancements to our trading platform while also supporting the successful launch of the ETF. The focus of our technology efforts for the next quarter will be on improving the on-boarding experience for Family Trust and SMSF accounts. With so many new clients joining SelfWealth, many of whom have a number of trading entities, there is an enormous opportunity for us to

capture additional business associated with these clients. We are listening to our clients and will make it easier for them to add second and third accounts to increase their usage of our system.”

SelfWealth Adviser Platform

The sales team continue to build a strong pipeline of new business opportunities, both in the independent dealer group market and the self-licensed IFA market, with market leading brokerage and innovative functionality. The Company remains committed to a targeted strategy in these segments, although we have also had significant interest from advisers in the larger aligned ‘dealer group’ segment which we are pursuing subject to approvals.

From more than 30 AFSL dealer group agreements there are close to 100 advisers registered to use the platform, and access to a further 800 via these dealer agreements.

Cash Burn

The December quarter was an extremely busy quarter, with the launch of both the Company’s first ETF and the SelfWealth Adviser Platform.

During the quarter the Company saw significant one-off receipt and payment items. Receipts from a research and development grant was offset by annual upfront payments to the responsible entity and launch costs of the ETF. This resulted in an increase in the cash burn for the quarter. With all ETF costs for the next 12 months prepaid and strong revenue growth expected, the Company expects to resume the trend of decreasing cash burn in the coming quarters.

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 60,000 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[®]

Trade smarter. Every time.



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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

SelfWealth Limited

ABN

52 154 324 428

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,192	2,370
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,013)	(1,718)
(c) advertising and marketing	(143)	(218)
(d) leased assets	(33)	(54)
(e) staff costs	(613)	(1,195)
(f) administration and corporate costs	(389)	(648)
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	464
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(535)	(991)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	(6)	(6)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	(6)	(6)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(1)
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	-	(1)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,085	2,542
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(535)	(991)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(1)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,544	1,544

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	1,544	2,085
5.2 Call deposits	-	-
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)	1,544	2,085

*Cash held at ANZ interest accounts

6. Payments to directors of the entity and their associates

- | | Current quarter
\$A'000 |
|--|------------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 171 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

The amount at 6.1 includes payment of directors' fees and salary of managing director.
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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	50
9.2 Product manufacturing and operating costs	805
9.3 Advertising and marketing	138
9.4 Leased assets	35
9.5 Staff costs	702
9.6 Administration and corporate costs	200
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,930

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here: Company secretary

Date: 13 January 2020

Print name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.