

Interim Financial Report

For the half year ended 31 December 2024

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



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1. Company details

Name of entity:	SelfWealth Limited
ABN:	52 154 324 428
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	4.3% to	14,143,646
Profit from ordinary activities after tax	down	75.1% to	407,483
Profit for the half-year	down	75.1% to	407,483

Explanation of results

The profit for the Company after providing for income tax amounted to \$407,483 (31 December 2023: \$1,633,953).

The decline in profit is primarily due to an increase in operating expenses during the half-year period.

Further details on the key financial elements contributing to the revenue and profit results above can be found in the review of operations included within the Directors' report of the Interim Financial Report for the half-year ended 31 December 2024.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>3.76</u>	<u>4.39</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 Financial Report.

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Directors

Ms Christine Christian - Non-Executive Chair
Mr Paul Clark - Non-Executive Director
Mr Adam Lewis - Non-Executive Director
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

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000
Telephone: +61 (0)3 9288 8882

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

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The Directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2024.

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
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

Trading performance

Revenue from ordinary activities for the half year ended 31 December 2024 was \$14.1m, an increase of 4.3% on the same period last year.

Selfwealth achieved trading revenue of \$4.4m for the six months to 31 December 2024 which was 27.5% above the comparative period of \$3.5m. This resulted from increased growth in brokerage fees across both the Australian and USA exchange markets. Trading volumes of 406k increased 9.1% from last year volumes of 372k.

Interest income earned from customer cash held on behalf of customers was \$9.5m, down 3.8% on previous corresponding period, with lower cash balances held on behalf of customers than the previous corresponding period.

Active portfolios remained steady at 128,859 in line with 128,609 active portfolios on the previous corresponding period.

Cost of providing services of \$4.0m increased 3.7% with gross profit of \$10.2m up 4.5% on last year. Gross profit margin increased by 20 basis points on the comparative period to 72.1% of total revenue.

Total operating expenses of \$10m, adjusted for non-recurring expenses of \$0.7m, amount to \$9.3m compared to \$6.5m in the previous corresponding period. The increased costs relate to higher ongoing infrastructure, security and compliance expenses to mitigate increasing risks and meet ever increasing requirements and standards. The increase in costs is also from hiring highly experienced and qualified management team to continue to the second phase of the Company's transformational programme.

Underlying EBITDA¹ was \$1.3m (31 December 2023: \$3.5m) with additional costs incurred of \$0.7m for expenses associated with the Bell Financial Group Limited ("Bell") scheme implementation deed under which Bell has agreed to acquire 100% of the shares in Selfwealth. Net Profit After Tax of \$0.4m declined 75.1% on previous corresponding period of \$1.6m as a result of the increase in operating expenses outlined above.

The Bell Offer is subject to various conditions set out in the scheme implementation deed, which includes approval by Selfwealth shareholders at a scheme of arrangement meeting, which is expected to be held before the end of March 2025.

Cash and cash equivalents at the end of 31 December 2024 is \$10.1m (30 June 2024: \$11.4m) with customer cash held on behalf of customers of \$340.1m (30 June 2024: \$381.9m). Funds under administration² were \$11.6bn which increased by 14.8% on previous corresponding period.

(1) EBITDA is a non-IFRS metric used for management reporting. Selfwealth believes EBITDA reflects what it considers to be underlying performance of the business. Underlying EBITDA is calculated as \$0.4m profit before tax plus \$0.4m depreciation and amortisation less \$0.2m finance costs - net and plus \$0.7m non-recurring cost relating to Bell.

(2) Aggregate customer assets held on the Selfwealth platform including cash balances and securities with ASX, NYSE, Nasdaq & HKEX exchanges, with all financial amounts expressed in Australian Dollars.



Review of operations (cont'd)

The Company continues to have no debt.

Operating cashflow was \$1.3m in line with last year. Selfwealth continued to invest in technology with \$2.0m of capitalised software development costs incurred in the six months to 31 December 2024.

Capital management

During the half year period, the Company continued the on-market share buy-back that commenced on 1 May 2024. An additional 1,308,255 ordinary shares were bought back during the six months to 31 December 2024 for a total consideration of \$161k, bringing the total number of ordinary shares acquired under the on-market share buy-back to 3,391,748 for a total consideration of \$425k. The share buy-back was funded from existing cash reserves.

The buyback was paused after receiving the non-solicited offer from Bell to acquire the company.

Significant changes in the state of affairs

On 25 November 2024, Selfwealth announced that it had entered into a scheme implementation deed with Bell, under which Bell has agreed to acquire 100% of the shares in Selfwealth for \$0.25 cash per share, with a Bell share consideration alternative at Selfwealth shareholders' election, by way of a scheme of arrangement ("Bell Offer").

The Bell Offer is subject to various conditions set out in the scheme implementation deed, which includes approval by Selfwealth shareholders at a scheme of arrangement meeting, which is expected to be held before the end of March 2025.

The Selfwealth Board of Directors has unanimously recommended that Selfwealth shareholders vote in favour of the Bell Offer, in the absence of a superior proposal (as defined in the scheme implementation deed) and subject to an independent expert concluding in its report (and continuing to conclude) that the Bell Offer is in the best interests of shareholders.

The Bell Offer values Selfwealth at approximately \$58.0m on a 100% equity basis and represents a 108% premium to the last close share price of Selfwealth of \$0.12 as at 12 November 2024, being the day immediately prior to announcement of Bell's initial public proposal.

There were no other 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

No matter or circumstance has arisen since 31 December 2024 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

Ms Christine Christian AO
Non-Executive Chair

22 January 2025
Melbourne



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of SelfWealth Limited

As lead auditor for the review of the half-year financial report of SelfWealth Limited for the half-year ended 31 December 2024, I declare 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Emma Reekie
Partner
22 January 2025

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SelfWealth Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



	Note	31 December 2024 \$	31 December 2023 \$
Revenue			
Revenue from contracts with customers	4	4,656,047	3,701,969
Interest income	5	9,487,599	9,862,400
		<u>14,143,646</u>	<u>13,564,369</u>
Cost of providing services	6	(3,951,715)	(3,809,495)
		<u>10,191,931</u>	<u>9,754,874</u>
Gross profit			
Other income		44	-
General and administrative expenses	6	(9,355,374)	(7,706,827)
Selling and marketing expenses		(635,361)	(642,809)
Total operating expenses		<u>(9,990,735)</u>	<u>(8,349,636)</u>
		<u>201,240</u>	<u>1,405,238</u>
Operating profit			
Finance income		214,810	241,051
Finance expenses	6	(8,567)	(12,336)
Finance costs - net		<u>206,243</u>	<u>228,715</u>
		<u>407,483</u>	<u>1,633,953</u>
Profit before income tax			
Income tax	7	-	-
		<u>407,483</u>	<u>1,633,953</u>
Profit after income tax for the half-year			
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
		<u>407,483</u>	<u>1,633,953</u>
Total comprehensive income for the half-year			
Total comprehensive income for the half-year is attributable to:			
Ordinary Equity Holders of SelfWealth Limited		<u>407,483</u>	<u>1,633,953</u>
		Cents	Cents
Earnings per share for profit from continuing operations			
Basic earnings per share	19	0.18	0.69
Diluted earnings per share	19	0.18	0.69

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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SelfWealth Limited
Statement of financial position
As at 31 December 2024



	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	10,116,697	11,404,896
Restricted client funds for trading	8	340,082,347	381,881,760
Trade and other receivables	9	437,980	471,574
Other assets		869,195	787,755
Total current assets		351,506,219	394,545,985
Non-current assets			
Property and equipment		81,752	53,697
Right-of-use assets	10	774,046	127,047
Intangibles assets	11	5,387,949	3,619,965
Other assets		355,355	180,355
Total non-current assets		6,599,102	3,981,064
Total assets		358,105,321	398,527,049
Liabilities			
Current liabilities			
Trade and other payables	12	2,127,986	1,788,877
Restricted client funds for trading	8	340,082,347	381,881,760
Contract liabilities	13	259,475	249,193
Lease liabilities	14	471,912	147,553
Employee benefits obligations		672,333	543,116
Total current liabilities		343,614,053	384,610,499
Non-current liabilities			
Lease liabilities	14	307,124	-
Employee benefits obligations		134,336	113,514
Total non-current liabilities		441,460	113,514
Total liabilities		344,055,513	384,724,013
Net assets		14,049,808	13,803,036
Equity			
Share capital	15	38,352,372	38,513,083
Other reserves	16	55,399	55,399
Accumulated losses		(24,357,963)	(24,765,446)
Total equity		14,049,808	13,803,036

The above statement of financial position should be read in conjunction with the accompanying notes

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SelfWealth Limited
Statement of changes in equity
For the half-year ended 31 December 2024



	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	-	(146,104)	-	(146,104)
Share buy-back	-	(179,098)	-	(179,098)
Balance at 31 December 2023	38,956,727	3,498	(26,556,922)	12,403,303
	Share capital \$	Other reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	38,513,083	55,399	(24,765,446)	13,803,036
Profit after income tax for the half-year	-	-	407,483	407,483
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	407,483	407,483
<i>Transactions with ordinary equity holders in their capacity as ordinary equity holders:</i>				
Share buy-back (note 15)	(160,711)	-	-	(160,711)
Balance at 31 December 2024	38,352,372	55,399	(24,357,963)	14,049,808

The above statement of changes in equity should be read in conjunction with the accompanying notes

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SelfWealth Limited
Statement of cash flows
For the half-year ended 31 December 2024



	Note	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,062,207	4,060,496
Interest income received from restricted client trust funds		9,487,599	9,862,400
Payments to suppliers (inclusive of GST)		(13,444,090)	(12,824,425)
		1,105,716	1,098,471
Interest received		214,810	241,051
Interest and other finance costs paid		(8,567)	(12,336)
Net cash from operating activities		1,311,959	1,327,186
Cash flows from investing activities			
Payments from acquisition of property and equipment		(64,481)	(14,254)
Payments for the development of intangibles/software	11	(2,015,817)	(1,345,795)
Payment for other non-current assets		(175,000)	-
Proceeds from disposal of plant and equipment		-	100
Net cash outflow from investing activities		(2,255,298)	(1,359,949)
Cash flows from financing activities			
Payments for share buy-backs	15	(160,711)	(179,098)
Principal elements of lease payments		(184,149)	(158,179)
Net cash outflow from financing activities		(344,860)	(337,277)
Net decrease in cash and cash equivalents		(1,288,199)	(370,040)
Cash and cash equivalents at the beginning of the financial half-year		11,404,896	12,401,436
Cash and cash equivalents at the end of the financial half-year	8	10,116,697	12,031,396
Cash from operating activities in restricted client trust funds			
Receipts of restricted client trust funds		1,323,001,313	983,842,423
Payments of customer trading		(1,364,800,726)	(1,026,195,888)
Net cash (used in) / from operating activities in restricted client trust funds		(41,799,413)	(42,353,465)
Net increase / (decrease) in restricted client trust funds		(41,799,413)	(42,353,465)
Restricted client trust funds at the beginning of the financial year		381,881,760	456,356,802
Restricted client trust funds at the end of the period	8	340,082,347	414,003,337

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

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Note 1. Basis of preparation

This interim financial report for the half-year reporting period ended 31 December 2024 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 2024 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 material impact to the financial report as a result of these changes.

New accounting policies not yet adopted

The following new and revised Australian Accounting Standard, interpretation and amendment that has been issued but is not yet effective is in the process of assessment by the Company:

- AASB 18 *Presentation and Disclosure in Financial Statements* (application date 1 January 2027)

Management is assessing the impact on the financial statements of the Company.

Other than above, a number of new standards, amendments to standards and interpretations are effective for annual periods 1 January 2025 and have not been early adopted in preparing these financial statements.

Note 2. Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the full financial statements at 30 June 2024).

Presentation of restricted client trust funds

Pursuant to contractual arrangements with clients, SelfWealth Limited acts as bare trustee for customer bank accounts that are used by the customer to trade on the Selfwealth platform. During the year ended 30 June 2024, the Company recognised the restricted client trust funds on the statement of financial position as an asset and a liability, having considered the contractual arrangements with the customer. The Company receives the economic benefit associated with holding the restricted client trust funds in the form of interest income and has obligations regarding day-to-day operations in respect of the restricted client trust funds as bare trustee for the customer accounts. The restricted client trust funds are not available to be used to settle Company liabilities, are segregated from Company bank accounts and are not able to be accessed by the Company.



Note 2. Critical accounting judgements and estimates (continued)

Consequently, comparative information for the half year reporting period on the statement of profit or loss and other comprehensive income and on the statement of cash flow has been adjusted. The change in the recognition of the restricted client funds is outlined in the table below:

	31 December 2023 \$	Adjustment increase/ (decrease) \$	Revised 31 December 2023 \$
Revenue from contracts with customers	13,564,369	(9,862,400)	3,701,969
Interest income	-	9,862,400	9,862,400
	31 December 2023 \$	Adjustment increase/ (decrease) \$	Revised 31 December 2023 \$
Statement of cash flows			
Receipts from customers (inclusive of GST)	13,922,896	(9,862,400)	4,060,496
Interest income received from restricted client trust funds	-	9,862,400	9,862,400
Cash from operating activities in restricted client trust funds			
Receipts of restricted client trust funds	-	983,842,423	983,842,423
Payments of customer trading	-	(1,026,195,888)	(1,026,195,888)
Net cash (used in) / from operating activities in restricted client funds	-	(42,353,465)	(42,353,465)
Net increase / (decrease) in restricted client trust funds	-	(42,353,465)	(42,353,465)
Restricted client trust funds at the beginning of the financial year	-	456,356,802	456,356,802
Restricted client funds at the end of the period	-	414,003,337	414,003,337

Note 3. 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 Executive Officer (CEO) 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.

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Note 4. Revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time:

	31 December 2024	31 December 2023
	\$	\$
Equity trading revenue ¹	4,406,895	3,457,306
Membership subscription revenue ²	230,247	236,063
Other revenue	18,905	8,600
	<u>4,656,047</u>	<u>3,701,969</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 fees apply for international share 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.

Note 5. Interest income

Interest income is generated on customer monies held in customers' Trading Cash Accounts.

Interest income is recognised in the Statement of profit or loss and other comprehensive income using the effective interest method. The effective interest method measures the amortised cost of a financial asset using the effective interest rate. The effective interest rate discounts the estimated stream of future cash payments or receipts over the expected life of the financial instrument to the net carrying amount of the financial instrument.

For more information refer to note 8 on restricted client trust funds for trading.

	31 December 2024	31 December 2023
	\$	\$
Interest income	<u>9,487,599</u>	<u>9,862,400</u>

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Note 6. Expenses

	31 December 2024 \$	31 December 2023 \$
Profit before income tax includes the following specific expenses:		
Cost of providing services	<u>3,951,715</u>	<u>3,809,495</u>
Finance costs		
Interest and finance charges paid/payable on lease liabilities	<u>8,567</u>	<u>12,336</u>
General and administrative expenses		
<i>Depreciation</i>		
Property and equipment	36,426	24,184
Premises - right-of-use assets	168,633	152,788
Total depreciation	<u>205,059</u>	<u>176,972</u>
<i>Amortisation</i>		
Computer software	<u>247,833</u>	<u>137,658</u>
Total depreciation and amortisation	<u>452,892</u>	<u>314,630</u>
Superannuation expense	607,950	428,574
Share-based payments expense ¹	-	(146,103)
Employee benefits expense excluding superannuation ²	5,258,283	4,930,711
Professional fees related to Bell offer and related amounts	658,797	-
Other general and administrative expenses ³	<u>2,377,452</u>	<u>2,179,015</u>
Total general and administrative expenses	<u>9,355,374</u>	<u>7,706,827</u>

(1) The credit expense in the half year to 31 December 2023 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 2024.

(2) Includes one-off redundancy and related costs incurred in the half year to 31 December 2023 of \$766,254.

(3) Main items include professional fees, consulting fees, insurance expenses and computer software license fees.



Note 7. Income tax

The Company calculates the period income tax expense using the tax rate applicable to the expected total annual earnings. The major components of income tax expense are:

	31 December 2024	31 December 2023
	\$	\$
<i>Numerical reconciliation of income tax and tax at the statutory rate</i>		
Profit before income tax	407,483	1,633,953
Tax at the statutory tax rate of 25%	101,871	408,488
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	7,098	2,686
Legal expenses	99,094	-
Share-based payments	-	(36,526)
	208,063	374,648
Deferred tax asset not recognised / (utilisation of deferred tax asset)	(208,063)	(374,648)
Income tax	-	-

The Company has not recognised any deferred tax assets at 31 December 2024.

Unused tax losses, tax offsets and deductible temporary differences are only recognised as deferred tax asset when it is probable that they will be utilised against future taxable income. The Company will continue to reassess at each reporting date whether the recognition criteria for deferred tax assets has been met.

Note 8. Cash and cash equivalents

	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	3,116,086	1,404,285
Deposits at call	7,000,611	10,000,611
	10,116,697	11,404,896

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 2024	30 June 2024
Restricted client trust funds for trading - Cash held on behalf of customers		
Restricted trust funds for trading	340,082,347	381,881,760
Restricted trust funds for trading	(340,082,347)	(381,881,760)

Pursuant to contractual arrangements with clients, SelfWealth Limited acts as bare trustee for customer accounts that are used by the customer to trade on the Selfwealth platform. These funds are for the purpose of making trading payments and settlements instructed by the customer.

Refer to note 5 Interest Income for the amount of interest revenue recognised from these accounts.

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Note 9. Trade and other receivables

	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Accrued receivables	348,852	289,363
GST refundable	87,628	172,572
Other receivables	1,500	9,639
	437,980	471,574

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

Note 10. Right-of-use assets

	31 December 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Premises - right-of-use	1,725,720	910,088
Less: Accumulated depreciation	(951,674)	(783,041)
	774,046	127,047

Additions to the right-of-use assets during the half-year were \$815,632.

The right-of-use asset relates to the Company office premises. The lease of the office premises was renewed during the half-year to 31 July 2026.

	Total
	\$
Balance 1 July 2023	430,963
Depreciation expense	(303,916)
Balance at 30 June 2024	127,047
Additions	815,632
Depreciation expense	(168,633)
Balance at 31 December 2024	774,046

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Note 11. Intangibles assets

	31 December 2024 \$	30 June 2024 \$	
<i>Non-current assets</i>			
Computer software development in progress - at cost	4,294,777	3,441,655	
Less: Accumulated Impairment	<u>(326,427)</u>	<u>(326,427)</u>	
	3,968,350	3,115,228	
Completed computer software - at cost	3,593,953	2,431,258	
Less: Accumulated amortisation	<u>(1,398,390)</u>	<u>(1,150,557)</u>	
Less: Accumulated Impairment	<u>(775,964)</u>	<u>(775,964)</u>	
	1,419,599	504,737	
	<u>5,387,949</u>	<u>3,619,965</u>	
	Computer software development in progress \$	Completed computer software \$	Total \$
Balance at 1 July 2023	326,428	780,053	1,106,481
Additions	2,788,800	-	2,788,800
Amortisation expense	-	(275,316)	(275,316)
Balance at 30 June 2024	<u>3,115,228</u>	<u>504,737</u>	<u>3,619,965</u>
Additions	2,015,817	-	2,015,817
Amortisation expense	-	(247,833)	(247,833)
Transfer in / (out) ¹	<u>(1,162,695)</u>	<u>1,162,695</u>	<u>-</u>
Balance at 31 December 2024²	<u>3,968,350</u>	<u>1,419,599</u>	<u>5,387,949</u>

(1) Relates to a software development project being completed during the period.

(2) Trademarks and Patents at a cost of \$126,071 are still used and fully amortised in the intangible asset register.

Note 12. Trade and other payables

	31 December 2024 \$	30 June 2024 \$
<i>Current liabilities</i>		
Trade payables	374,063	416,734
Accrued expenses	1,649,633	1,236,870
Other payables	<u>104,290</u>	<u>135,273</u>
	<u>2,127,986</u>	<u>1,788,877</u>

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Accrued expenses represent costs incurred by the Company for services received but not yet invoiced as of 31 December 2024.

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Note 13. Contract liabilities

	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>259,475</u>	<u>249,193</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 14. Lease liabilities

	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>471,912</u>	<u>147,553</u>
<i>Non-current liabilities</i>		
Lease liability	<u>307,124</u>	<u>-</u>
	<u>779,036</u>	<u>147,553</u>

Note 15. Share capital

	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>230,731,709</u>	<u>232,220,639</u>	<u>38,352,372</u>	<u>38,513,083</u>

Details	Number of shares	Total \$
Balance at 1 July 2023	236,859,569	38,956,727
Loan shares buy-back	(1,350,000)	-
Small parcel share buy-back	(1,205,437)	(179,098)
Share buy-back ¹	(2,083,493)	(264,546)
Balance at 30 June 2024	<u>232,220,639</u>	<u>38,513,083</u>
Share buy-back ¹	(1,308,255)	(160,711)
Loan Shares buy-back ²	(180,675)	-
Balance at 31 December 2024	<u>230,731,709</u>	<u>38,352,372</u>

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Note 15. Share capital (continued)

- (1) On market share buy-back commenced on 1 May 2024 where SelfWealth Limited can acquire on market up to 10% of its ordinary shares, or up to 23,430,413 shares for up to a 12-month period. A total of 1,308,255 ordinary shares have been acquired on market during the period ended 31 December 2024 for a total consideration of \$160,711.
- (2) Shares issued to employees under the Company's ESOP scheme granted in October 2018 at an issue price of \$0.15 per share, funded by loans from the Company. The shares were bought back on the 18 September 2024 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.

Share buy-back

The Company undertook an on-market share buy-back commencing 1 May 2024 where Selfwealth may acquire up to 10% of its ordinary shares, or up to 23,430,413 shares for up to a 12-month period. An additional 1,308,255 ordinary shares were bought back during the six months to 31 December 2024 for a total consideration of \$160,711, bringing the total number of ordinary shares acquired under the on-market share buy-back to 3,391,748 for a total consideration of \$425,257. The share buy-back was funded from existing cash reserves. The share buy-back was paused after receiving the non-solicited offer from Bell to acquire the Company.

Note 16. Other reserves

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

Movements in share-based payments reserve

Details	Number of performance rights	Total \$
Balance as at 1 July 2023	5,704,182	328,700
Performance rights forfeited due to staff resignations	(4,088,082)	(146,101)
Performance rights forfeited due to performance conditions not being met	(390,693)	(118,185)
Lapsed of 180,675 loan shares to employee	-	(9,015)
Balance at 30 June 2024	1,225,407	55,399
Performance rights forfeited due to performance conditions not being met ¹	(1,042,263)	-
Balance at 31 December 2024²	183,144	55,399

- (1) During the period there were 1,042,263 performance rights forfeited at a nil value as the performance condition was not met. This related to the performance rights granted on 6 December 2021.
- (2) The balance relates to vested performance rights granted on 1 July 2020.

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Note 16. Other reserves (continued)

No performance rights have been issued during the half year ended 31 December 2024.

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	-
Share buy-back ¹	(179,098)
Funds transferred for share buy-back ¹	179,098
Balance at 30 June 2024	<u>-</u>
Share buy-back	-
Balance 31 December 2024	<u><u>-</u></u>

(1) On 20 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 was effective 3 January 2024.

Note 17. Dividends

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

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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 19. Earnings per share

	31 December 2024 \$	31 December 2023 \$
Profit after income tax	<u>407,483</u>	<u>1,633,953</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	231,521,301	235,509,569
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>183,144</u>	<u>2,479,541</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>231,704,445</u>	<u>237,989,110</u>
	Cents	Cents
Basic earnings per share	0.18	0.69
Diluted earnings per share	0.18	0.69

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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 2024 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

Ms Christine Christian AO
Non-Executive Chair

22 January 2025
Melbourne

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Independent auditor's review report to the members of SelfWealth Limited

Conclusion

We have reviewed the accompanying half-year financial report of SelfWealth Limited (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial 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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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.

Directors' responsibilities 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 responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2024 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*.



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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.

Ernst & Young

Ernst & Young

E Reekie

Emma Reekie
Partner
Melbourne
22 January 2025

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Selfwealth Limited

ACN 154 324 428