

Statement on behalf of the requisitioning Shareholders

29 April 2022

Contact us at SWFshareholder@gmail.com

Dear Shareholder of SelfWealth Limited,

You will by now have received the notice of General Meeting of SelfWealth Shareholders to be held on 26th May 2022.

WE STRONGLY ENCOURAGE YOU TO VOTE FOR THE RESOLUTIONS PROPOSED BY THE REQUISITIONING SHAREHOLDERS.

We are a group of shareholders who are genuinely concerned with the direction in which the existing Board is taking our company. We collectively own **16.8%** of the issued shares of SelfWealth Limited.

Thank you to those of you who have reached out to us since the announcement of our intention to replace two Directors of the SelfWealth Board. We've been overwhelmed by your support and greatly appreciate you endorsing our action.

We have funded the requisitioning process with our own funds, on behalf of all shareholders.

Earlier this month, the Board of SelfWealth provided Shareholders with a response to our request for a General Meeting to replace two Board members. Below you will find our response to several of their comments.

The SelfWealth Board say they have a "Clear Strategy and Proven Execution"

Clear Strategy?

- We are very concerned at the rate at which SelfWealth is spending Company cash. After being cash flow positive as recently as the June 2021 quarter, they have burned cash in each quarter since, with over \$4 million of negative cash flow in the past 2 quarters alone.
 - The current Board's justification for this expenditure is a blanket statement that SelfWealth will move from the reliance on low cost broking, to becoming a wealth management platform. The Company has not provided any explanation of what this means, with regard to timing, revenue streams and differentiation from other wealth management platforms.
 - We also question whether SelfWealth possess the internal expertise to develop and deliver this wealth management strategy.

- It should also be noted, with interest rates expected to rise shortly and to continue to rise over the next 18-24 months, SelfWealth will receive a significant tailwind and increased revenue from this given its current interest rate agreement with ANZ. SelfWealth should not rely on external factors for its success, or to mask intrinsic strategic problems within the business. This is not a strategy in and of itself.

Proven Execution?

- Hong Kong trading was introduced nearly one full quarter later than projected by the Board. In a cryptic statement in the General Meeting documentation, the SelfWealth Board state that they *"understand that Hong Kong will be affected by geopolitical tensions, and that revenue uplift...is a long term play"*. We are concerned that this could mean that early revenue figures from Hong Kong trading are below expectations. In order to be fully informed, we urge all SelfWealth shareholders to request the Board provide an update on trading figures for Hong Kong trading prior to the General Meeting.
- Cryptocurrency trading was projected by the SelfWealth Board to commence in the March 2022 quarter. As at the date of this letter, there is still no firm date for the commencement of trading. In the meantime, numerous crypto ETFs have been established in the U.S. and an Australian ETF provider, ETF Securities, has announced it is launching its crypto ETFs.
- The current iteration of the SelfWealth mobile app (delivered only 12 months ago at not insignificant expense) is, in our view, very poor. The product roadmap, signed off by the Board, stated there would be a refresh of the mobile app in the December 2021 quarter. Two quarters later, we are still waiting for a meaningful refresh.

The SelfWealth Board say the proposed new Directors have no plan

The proposed new Directors' plan is clear and simple:

- Grow the business but live within your means. It is unsustainable to spend more cash than you earn. Global stock markets have made this very clear in recent months with the selloff in "high growth" technology stocks which don't make profits.
- Cash flow should be tailored to revenue growth. If you are in a period of slower revenue growth, like SelfWealth finds itself in at the moment, you must live within your means. The proposed new Directors will bring that discipline.
- There will be a strong focus on cost reduction, working smarter, without impacting the growth of business. Staff count is too high (both permanent and contracted), having tripled in recent times and with no clear demonstrated improvement in deliverables.
- There will be a strong focus on reducing clearing and execution costs where possible, to ensure that these are not materially higher than those enjoyed by newer online brokers in Australia.

- There will be a strong focus on improving project management to deliver plans within more accurate timelines.
- The new Directors will assist the CEO to create and execute on a sustainable business model.
- There is no intention for Andrew Ward to re-join the Board. His only interest in this exercise is as a concerned shareholder.
- The proposed new Directors will have no alliance with direct or indirect competitors, nor do they have conflicting interests with alternate clearing house providers.

The SelfWealth Board say that the proposed new Directors do not have the requisite experience to join the Board

- Neil Schafer stands to bring a wealth of experience and expertise to the SelfWealth Board, particularly in relation to retail investors, sales and marketing. His summary resume, which highlights his international experience including in London, New York, Switzerland and Asia, has previously been provided to shareholders in the "Notice of General Meeting" dated 21 April 2022.

Of particular relevance to SelfWealth shareholders are Neil's previous responsibilities at both Commonwealth Bank and Wilson HTM. At Commonwealth, his responsibilities included both CommSec and a retail client sales team of 7,000. As CEO of leading independent stockbroker Wilson HTM, Neil was successful in generating a 600% increase in profitability, reflecting considerable growth in both revenues and profit margins.

In his other roles, including as Board Director and Chairman, he has been committed to representing the interests of both large and small shareholders in achieving high standards of governance, integrity and transparency. His track record is a demonstration of the critical importance of strategy execution to deliver results for all stakeholders. He believes strongly in the critical importance of building a strong corporate culture of trust and accountability, and supporting team members through training, coaching and mentoring to be the best that they can be.

As a Board Director and Chairman, Neil has been committed to representing the interests of both large and small shareholders in achieving high standards of governance, integrity and transparency, regardless of any personal cost.

- Having commenced with Macquarie Bank in 1998, Brett Spork became responsible for Macquarie's embryonic full service private client business in 1998. By 2002, the business had grown to 250 advisers through a network of offices in Australian and New Zealand.

Brett moved to E*Trade Australia in July 2003 to accept the challenge of participating in the emerging online broking industry. E*Trade Australia became

a leader in the development of innovations including stop loss; sophisticated ETO strategies; the first ASX broker to offer CFDs; use of Frequent Flyer points as a trading reward, licensed research on a pro-bono model and licensing significant AFSL holders, including St George Bank and HSBC.

Brett took the valuation of E*TRADE from ~\$50 million upon joining to a sale to ANZ at ~\$430 million. Shareholders (at various times) included Computershare, Caledonia, Perpetual and Goldman Sachs.

Brett has had broad fintech experience. In Q4 2015, he became the Founding Non-Executive Director, and at times Chairman, of PrimaryMarkets. PrimaryMarkets was the first provider of a global online platform for sophisticated, professional and institutional investors to trade securities in unlisted/private companies and funds, as well as capital raisings for unlisted/private companies. Created entirely with Australian knowledge and resources, it has allowed well-known companies and funds to trade securities without the cost and necessity of being listed on an exchange such as the ASX, NASDAQ etc.

In January 2019, PrimaryMarkets was taken over by US Fintech - Linqto Inc. Brett resigned as Director of PrimaryMarkets on the takeover and became a strategic advisor to Linqto. Linqto allows clients to acquire small parcels of stock in unicorn opportunities. PrimaryMarkets was re-acquired from Linqto in January 2020 and Brett became a strategic advisor to PrimaryMarkets.

In November 2021 PrimaryMarkets was taken over by Complii FinTech Solutions Limited (ASX.CF1).

Brett remains a shareholder of both Linqto and Complii.

If you aggregate the implied value of a AUD\$50,000 investment at the inception of PrimaryMarkets, that investment would have resulted in a total holding in CF1 and Linqto that is independently calculated to exceed USD\$750,000.

Brett has also participated in several unlisted venture capital companies covering industries such as plastic recycling, KYC and AML identification, medical devices and the global exchange of bulk wine via a recognised platform.

Brett has also sat on several Listed Investment Company (LIC) Boards.

- Robert Edgley and John O'Shaughnessy have overseen the past 12 months of operations of our Company. In this period, revenue growth has slowed (and fallen in some quarters), yet it was considered prudent by the Board to accelerate cash spend at an increasingly alarming rate. They oversaw a capital raising which diluted existing shareholders, when SelfWealth's share price was nearly double that price less than 12 months earlier. We have no confidence in the capital allocation skills of these Board members.
- It is noted that Robert Edgley was removed as a director of Praemium Limited (ASX: PPS) in May 2017. In its ASX announcement of 24th May 2017, the Praemium Board stated that it was satisfied that "*many of the statements made*

by previous directors in the Notice of Meeting and various other communications...were exaggerated or without any foundation". The announcement also noted that the former directors (which included Mr Edgley) incurred expenditure of \$972,372 in terminating the then CEO of the company and also defending the shareholder requisition which led to their removal.

SelfWealth says "The Board has been actively searching for the appropriate candidate(s) to join the Board over the last few months."

- We met members of the SelfWealth Board in July 2021, expressing the same concerns we have today. The Board acknowledged it was lacking the necessary competencies and were actively searching for new Directors. That was nearly 10 months ago. They told us the same thing again in October 2021, and again in January 2022. We are incredulous the current Board has been unable to attract quality Directors to such a wonderful Company with outstanding future prospects.

How to vote

You can vote online via the Link Market Services website. If you do not have an online account, you can use the hard copy forms that were sent to you.

If you have already voted and wish to change your preference, you can do so. By voting again online through Link, this will supersede your previous voting instructions.

Once on the Link Market Services Portal, click the "Voting" tab and follow the links. Some screen shots are set out below, showing our recommendation of how you should vote.

Resolutions	For	Against	Abstain	Open
1 REMOVAL OF JOHN ANTHONY O'SHAUGHNESSY AS A DIRECTOR OF THE COMPANY	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 REMOVAL OF ROBERT EDGLEY AS A DIRECTOR OF THE COMPANY	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 APPOINTMENT OF NEIL EDWARD SCHAFER AS DIRECTOR	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 APPOINTMENT OF BRETT ANDREW SPORK AS DIRECTOR	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Proxy Appointment

- ☒ I/We wish to appoint the CHAIRMAN OF THE MEETING.
- ☐ I/We wish to appoint another person to vote on my/our behalf at the meeting.

Should you wish to reach out to us, or have any questions regarding the upcoming General Meeting, please contact us at SWFshareholder@gmail.com

Thank you.