

Cashwerkz.

13 February 2020 – Market Update

Total number of investments made by customers grew by 107% in 2019

\$1.1 billion of active funds on the platform. New distribution partnerships the focus for 2020 to further accelerate user growth across all segments.

13 February 2020: [Cashwerkz](#) today announces \$1.1 billion in active funds (waiting to mature) and the total number of investments placed has increased 107% over the calendar year. \$614m was transacted on the platform in Q2 FY20, Cashwerkz now partners with 51 traditional and neo banks plus credit unions in Australia's online leading cash marketplace.

2019 Key Highlights:

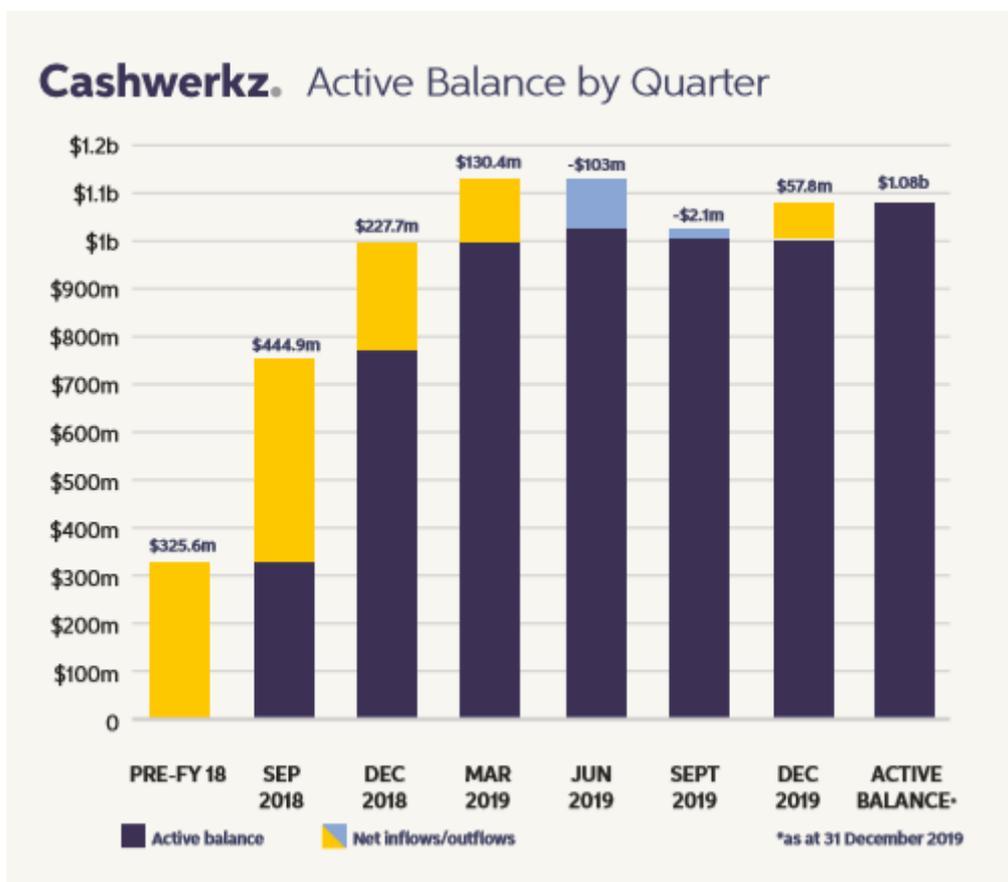
- 107% increase in the number of investments made in 2019 from 2,045 as at 31 December 2018, to more than double to 4,245 as at 31 December 2019.
- Steady customer loyalty, with 79% of customers reinvesting on the platform compared with 72% in Q1 FY20.
- Active funds (funds waiting to mature) reached \$1.08 billion as at 31 December, increasing by over 8% during Q2FY20. Active funds (waiting to mature) were \$1.1 billion by mid-January 2020.
- Total Passthrough of funds as at 13 January 2020 was \$4.0b. Consisting of Q4 FY19: \$2.7b, Q1 FY20: \$3.2b, Q2 FY20: \$3.8b. Passthrough consists of new investment and rollover of matured funds.
- 125% growth from direct customers on the platform from 2018 to 2019.
- During Q2 FY20, \$614m was transacted on the platform across the various segments Cashwerkz operates in. Transacted funds are new funds and rollovers placed on the platform.
- Quarterly growth of deposit inflows less outflows remained positive in the current interest rate climate with \$57m of net inflows in the last quarter. Against the backdrop of the RBA rate cuts, the flight to equities and the search for yield with higher risk, this increase creates a strong platform for growth in 2020 as noted further below.

Strategic Highlights:

- Cashwerkz now partners with 51 traditional, neo banks and credit unions, with Volt Bank the latest to join our unique marketplace.
- Partnership with Complii announced to automate compliance process for stockbrokers and their clients placing online cash investments for over 44 broker and dealer groups and 3,000 underlying users. Complii has access to 500,000 advised clients' cash and term deposits, and the website landing page and execution will start during this quarter.
- Partnership with Agility Applications announced to approach 175 Financial Services and help advisers find their clients' total cash position, create watch lists, efficient ways of managing maturities and much more.
- Hector Ortiz, Head of Sales & International, has progressed the sales pipeline. While delayed previously and resulting in a setback in revenue, the Retail, Adviser, Institutional and other segments are now progressing with the team pushing forward on agreements and rollout dates in 2020.

Other Highlights:

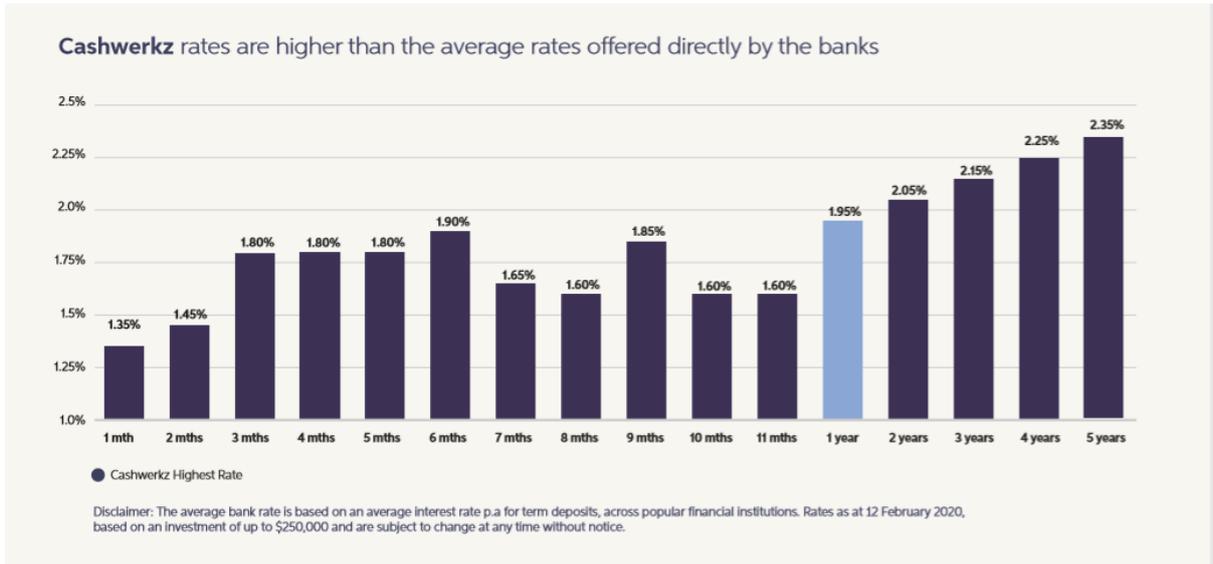
- John Nantes was appointed Executive Chairman and Craig Swanger added to the board as a Non-Executive Director during Q2 FY20. Both are Directors of Wizr (ASX:WZR) in the same capacity, passionate about the potential for fintech's in Australia to make a positive difference to the entire financial eco-system.



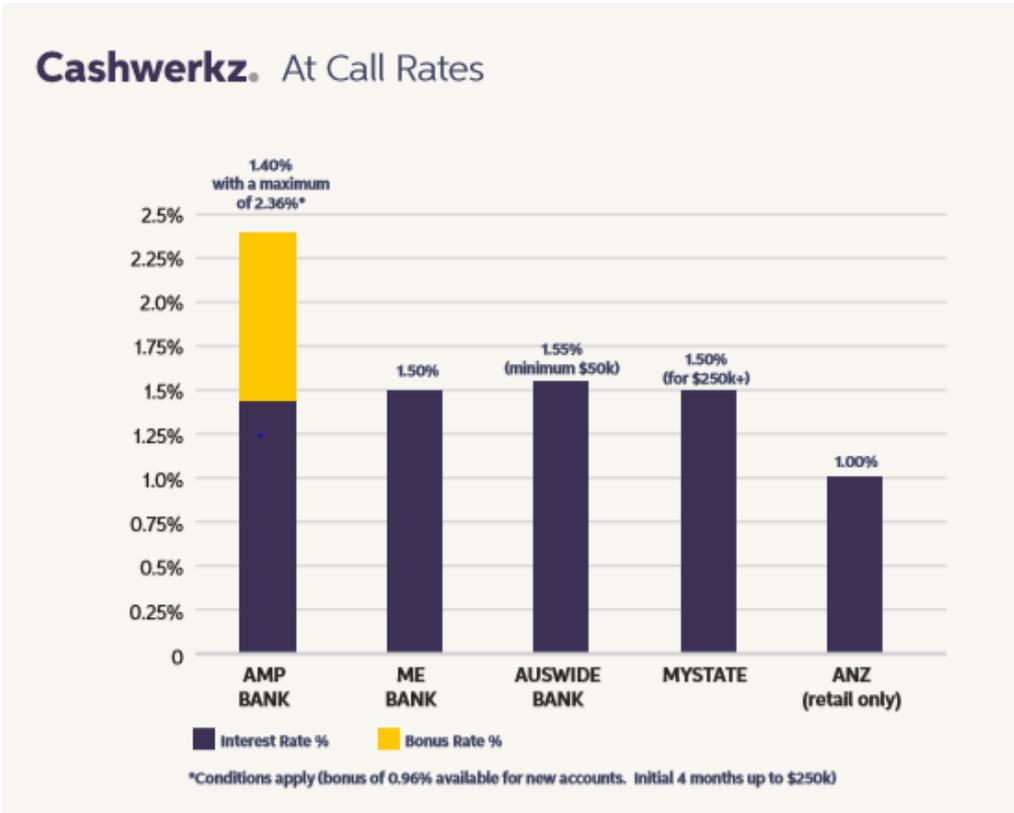
Active balance now improved to \$1.1 billion as at 13 Jan 2020, following a solid Q2 FY20, Cashwerkz focused on growth in 2020.

Horizon 1 – Proof of concept: Cashwerkz grew from \$325 million in active funds (waiting to mature) to \$1.1 billion as at 13 January 2020. With 51 banks and growing, Cashwerkz offers a very competitive marketplace where investors can achieve rates of up to 2.35%pa currently (Judo bank, a neo bank on Cashwerkz), despite the RBA dropping the cash rate to 0.75% in 2019. Retail investors can earn up to an additional 55 bps (.55%) on their investment, whilst wholesale investors can earn up to an additional 104 bps (1.04%) at times.

With the RBA rate reductions and the Royal Commission into Financial Advice to name a couple of significant changes in 2019, Cashwerkz has become a necessary solution for the industry. Cashwerkz operates effectively in all market types, but especially in a low rate environment. Cashwerkz provides competitive and at times above market rates that are significantly well above the RBA cash rate as you can see below. Australian banks need deposits and Cashwerkz is a solution for the banks to solve their deposit needs. Cashwerkz has also created a competitive marketplace for investors and advisers of investors seeking competitive rates in one place, wanting; the government guarantee, transparency, efficiency, reporting and a secure environment to invest within 3 clicks.

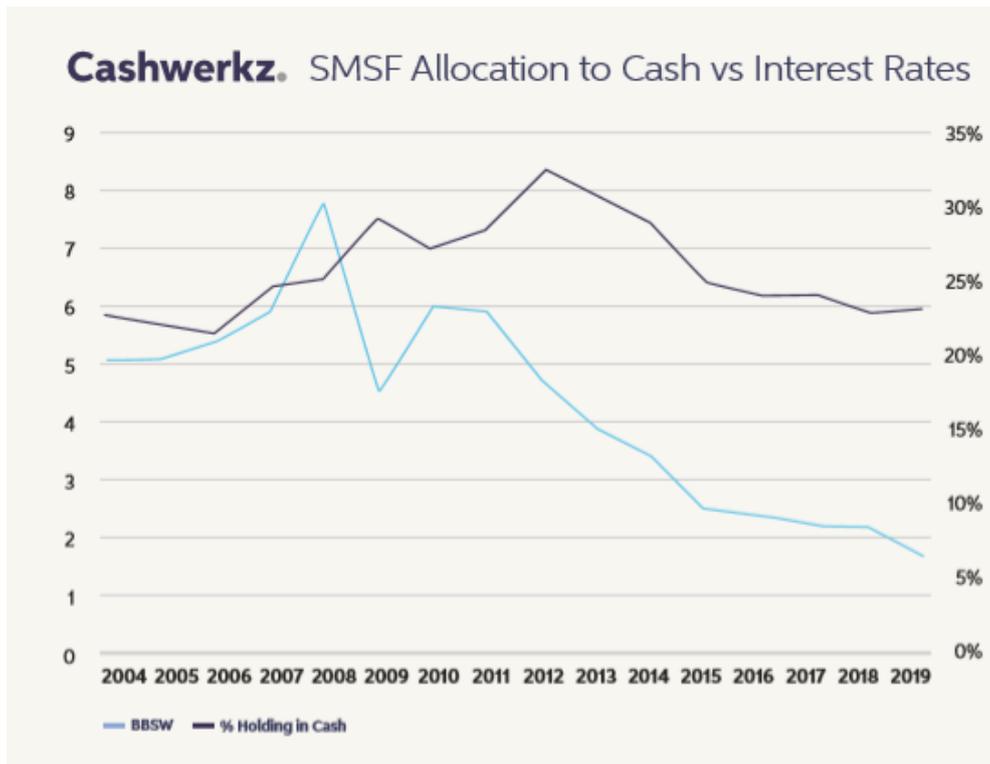


The Cashwerkz unique yield curve for investors



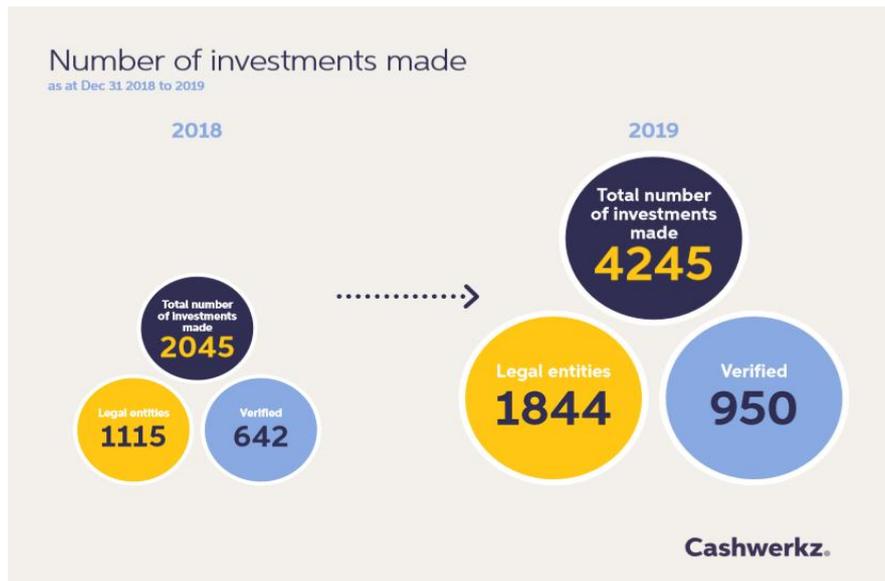
At Call Rates which are available on the Cashwerkz platform

Since the Global Financial Crisis (GFC), the Bank Bill Swap Rate (BBSW) has continually declined yet the allocation to cash in Self-Managed Super Funds (SMSFs) has remained very strong and above 25% of the portfolio on average. Cashwerkz offers market competitive rates where investors can manage their cash portfolio within 3 clicks. Cashwerkz has solved the outdated manual process for the \$2 trillion Australian cash and term deposit market to which SMSFs form an important part.



As part of our first horizon during 2019:

- Cashwerkz improved the Rim Securities desk during this period by hiring two key staff and relocating the business to Sydney to peruse the sizeable market. This has helped reposition the Wholesale desk while other divisions execute the sales pipeline.
- Cashwerkz has expanded further into the marketplace with 51 Banks, including major domestic banks and currently 6 international banks as well as 3 neo banks.
- Cashwerkz built a strong sales pipeline to execute in 2020 and moved Hector Ortiz into a specific Head of Sales and International for this purpose. Having a specific role to drive sales is currently proving itself and is actively addressing delays in revenue conversion.
- Inflows – funds arriving on the platform during Q2 FY20: \$614m and Q1 FY20: \$586m.
- Our number of investments made by customers doubled in 2019 from the previous year to over 4,245.
- Cashwerkz identified significant spread in deposit rates and consistently offered higher rates from some of our banks. Judo Bank currently offering up to 2.35% per annum for 12 months is an example of this opportunity for investors.
- Cashwerkz has furthered its solution with partners now wanting to fully integrate into their technology and platform solutions.



Increased marketing to specific channels sees the holdings increase in 2019. This activity supports and stabilises our first horizon.

Horizon 2 – Executing the Pipeline:

During 2019 Cashwerkz built up its sales pipeline across the various segments as it focussed on creating opportunities across Stockbrokers, Advisers, Institutional Investors, Platforms and more. The key priority in 2020 is to execute the sales pipeline, growing the number of account holders and active funds (waiting to mature) which will then increase revenue as a result.

Hector Ortiz, Head of Sales and International, stated, “We have seen delays due to the internal processes by some of our partners. However, we have progressed since and look forward to gaining traction on rollouts in 2020”.

Specifically, Cashwerkz notes the following examples and update:

- One of Australia’s largest stockbrokers is in the final stage of the contract review by its own internal departments. This stockbroker provides advice across many not-for-profit institutions as well as high net wealth individuals and family offices.
- The internal research department in one of Australia’s largest Financial Services businesses has approved Cashwerkz for use by its advisers. We are now discussing the agreement and potential rollout with their compliance and business leaders.
- Cashwerkz is in the final stages of an agreement with a large retail focused technology provider that will see Cashwerkz target retail customers on mass for the first time. Cashwerkz has not focused on retail to date, this partnership changes and significantly opens the landscape for the business.
- A national multi-family office is also moving to the final stages of discussion. Together we are reviewing the implementation strategy and planning how to fast track the solution.

Further platforms and brokers are currently moving forward, as agreements are reached Cashwerkz will announce them in due course. We are also working with our current announced partners, for example Complii, Praemium and Agility to increase the penetration across their group in 2020 through various technology and sales solutions.

Horizon 3 – Increased products, Global opportunities, Innovative Technology.

NEO banks are on the hunt for capital reserves

Volt Bank, Judo Bank, :86400 and other neo banks are on the hunt for billions of dollars in the near future. With competitive interest rates on offer, they already see customers march with their feet towards the neo marketplace via Cashwerkz. To date Cashwerkz has already provided one neo bank with \$40m in deposits in a short period of time.

Cashwerkz has 51 banks and growth in 2020 will turn towards international banks to service institutional customers. Cashwerkz will update the market on the rollout in due course.



More traditional, neo banks and credit unions will be added in 2020.

Agility App – an industry first

This month Cashwerkz announced it is working with partner, Agility Applications, a wholly owned subsidiary of HUB24 Limited, to deliver customised data solutions to 175 financial services groups across Australia. This will include a 360 view of the client portfolio to identify non-invested cash balances, a watch list and personalised functionality for maturity instructions, daily market competitive rate display and data feeds.

Craig Apps, Director, Agility Applications added, “We value the automation and streamlining of administration for our client’s cash investments. This collaboration with Cashwerkz to further develop new functionality is extremely positive as it enhances our cash investment activities and supports the ongoing growth of our At Call and Term deposit investment operations.”

The app is expected to be in commercial operation in 2020.

Cashwerkz to launch EULA – End User Licensing Agreement

In 2020, Cashwerkz will lead the market with a new licensing agreement for advisers. This means an adviser will be able to sign up to the Cashwerkz marketplace and commence placing funds straight away.

The End User Licensing Agreement (EULA) will be an industry first and a game changer for the advisers. Those advisers who have an AFSL will find this process efficient. Cashwerkz is streamlining the onboarding process and making it even easier for advisers to manage their client portfolios. This licensing agreement will be used in conjunction with already negotiated contracts that may be in place.

More Yield Products and Global Opportunities

Cashwerkz has developed a plan to take the technology into global markets given the problems it solves is universal. Currently Cashwerkz is looking to secure international banking partners as a first step to build out a solution.

Bonds and further yield related products that increase our revenue potential are also in the pipeline and under current review, as well as a US Dollar product in 2020.

The outlook for 2020

The lag in revenue due to the extension of the pipeline is a key focus for Cashwerkz. Executive Chairman, John Nantes said “As fintech’s go through the various stages, taking a medium term view is always important for good decision making. Pleasingly, Cashwerkz has been able to protect its base and also create a pathway to execute further growth in transaction and deposit numbers. Executing the pipeline is the priority in 2020 and makes for an exciting new fintech that solves challenges for cash and fixed interest at a time when choice, yield and operating in a client’s best interest is the priority”.

“Opening more accounts and increasing customer numbers, converting pipeline, adding more banks, US currency, protecting our base, and growing revenue are key KPI’s for the team. We look forward to the progress this year as we also positioning ourselves as the leading online marketplace for cash investments”.

The Cashwerkz Board of Directors approved this announcement for release.

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Further Details

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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 51 Authorised Deposit taking Institutions and thousands of financial advisers and direct investors. Listed on the Australian Securities Exchange (ASX: CWZ) the group is headquartered in Australia. Cashwerkz Limited ABN 42 010 653 862 AFSL 260033.

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. Cashwerkz Technologies Pty Ltd ABN 70 164 806 357 AFSL 459645.

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. RIM Securities Ltd ABN 86 111 273 048 AFSL 283119.

Trustees Australia Limited

Trustees Australia Limited delivers trusted, responsible entity services to fund managers and investors requiring bespoke solutions. Trustees Australia Limited ABN 63 010 579 058 AFSL 260038.