

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

1ST Group Limited

ABN

25 138 897 533

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	1,293	2,321
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(463)	(842)
(c) advertising and marketing	(429)	(713)
(d) leased assets	-	-
(e) staff costs	(855)	(1,852)
(f) administration and corporate costs	(510)	(989)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(71)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(964)	(2,145)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(11)	(17)
(b) businesses (see item 10)	-	-
(c) investments	-	-

For personal use only

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(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	(11)	(17)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,500	4,500
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	(239)	(315)
3.5 Proceeds from borrowings	950	950
3.6 Repayment of borrowings	-	(1,300)
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	5,211	3,835

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	210	2,773
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(964)	(2,145)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(11)	(17)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,211	3,835

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	4,446	4,446

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	508	75
5.2	Call deposits	3,938	135
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)	4,446	210

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
117
-

Includes wages for CEO/Managing Director and independent Directors/Chairman remuneration including superannuation as applicable and consulting fees.

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

For personal use only

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	2,000	1,550
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.		

Key terms of the Standby Convertible note facility

The credit standby arrangements relate to a \$2 million facility with a cornerstone shareholder investor Mr John Plummer.

On 19 August 2019, the Group reduced and extended its previous convertible note loan facility provided by Mr Plummer on new and more favourable terms.

The key terms of the new facility are:

Note extended to 1 August 2021 for drawdown (repayable by 1 August 2022);

Line fee reduced to 1% pa (from 2% pa);

Interest rate of RBA Cash Rate plus 8.5% pa, therefore currently 9.25% per annum, payable quarterly in arrears;

Agreement to renegotiate interest rate further downwards following the Company achieving a cash flow breakeven quarter and an additional rate reduction on delivering three consecutive cash flow positive quarters;

Usual covenants for a facility of this nature and scope including: unsecured obligation, no debt subordination without consent, anti-dilution provisions etc.; and

Facility can be repaid in full or reduced at any time at the election of the Company.

On 19 August 2019, \$1.3 million of the previous convertible note facility was repaid from recent capital raise funds, leaving \$0.6 million drawn and \$1.4 million undrawn and available.

The Company received a further draw of \$350k in October 2019, \$350k in November 2019 and \$250k in December 2019 before the successful capital raise, resulting in a balance of \$1,550k drawn and \$450k undrawn.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	515
9.3 Advertising and marketing	438
9.4 Leased assets	-
9.5 Staff costs	906
9.6 Administration and corporate costs	469
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	2,328

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.



30 January 2020

Sign here:
Company secretary

Date:

Andrew Whitten

Print name:

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.

For personal use only