

29 July 2020

## Quarterly activity report (for the period from 1 April 2020 to 30 June 2020)

N1 Holdings Limited (ASX: **N1H** or the **Company**) is pleased to announce June quarter cash receipts from customers, with notable growth in Small and Medium Enterprises (SME) lending throughout the financial year. N1H has grown to transition its core business since 2018 from being a residential mortgage brokerage into a property-backed SME lender.

### A highlight of the quarter and financial year's cash flow performance

- Cash receipts from customers of \$846,000 for the quarter.
- Cash receipts from customers of \$4,239,000 for the financial year (FY2020), a 4.47% or \$198,516 reduction due to loss of cash receipts by sold trail-book (estimated \$1.16m based on June 2019 Finsure trail). Previous financial year (FY2019) cash receipts were \$4,437,516.
- Net cash from operating activities at \$483,000 for the quarter.
- Net cash from operating activities at \$1,911,000 for the financial year, compared to previous financial year \$385,020.
- Cash receipts from customers via SME lending is \$482,368 for the quarter.

### Company Business activities

The Company continued to generate revenue from its SME lending business, which included fees and interest on funds lent from the Company's balance sheet as well as management fees derived from the One Lending Fund through N1 Asset Management. The SME lending business continued to generate major revenue for the Company, accounting for 57.05% of the total cash receipts from customers for the quarter. The total cash receipts from customers via the SME Lending business was \$2.61 million for the full financial year ended 30 June 2020 (FY2019: \$1.01m), a 157.55% increase from the previous financial year.

The Company currently has committed SME lending capital in excess of \$26 million, comprised of \$17.44 million of capital committed to the One Lending Fund and \$8.85 million of capital from the Company's balance sheet. The Company continues to raise funds for SME lending purposes including the One Lending Fund.

The Company sold its Finsure-aggregated trailbook in August 2019, which resulted in a reduction of revenue of approximately \$96,681 per month (estimated based on June 2019 Finsure trail). This has been recovered by the increase in SME lending revenue. The mortgage broking trail represents only 5.89% of cash receipts from customers during June 2020 quarter.

N1 Realty's revenue represents 10.67% of the cash receipts from Customers in this quarter. N1 Realty's retail office in Chatswood NSW has resumed operations.

There are no other substantive business activities during the quarter other than all previously announced.

### Payments to related parties of the entity and their associates

- Salary and super to executive directors of \$147,326; and
- Services provided by director related entities of \$31,395. Costs are determined on an arm's length basis.

**Authorised for release by the Chairman.**



**For more information, please contact:**

**Ren Hor Wong**

Chairman & Chief Executive Officer

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**About N1 Holdings Limited (ASX: N1H)**

N1 Holdings Limited is a business, financial and property services firm that operates under the brand “N1 Loans”, “N1 Realty”, “N1 Migration” and “N1 Venture”. N1 as an ACL and AFSL holder aims to deliver the complete value chain of a business, individual and real estate financial transactions, and possesses the unique strength of having a strong position in the niche Australian Asian community market. N1’s current services span across commercial lending, residential property loans, business finance, equipment finance, property sales and rental management. N1 consistently delivers robust growth across multiple complementary business entities, aiming to establish itself as a market leader in customer satisfaction with its unique and diversified business model.

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

N1 Holdings Limited

**ABN**

44 609 268 279

**Quarter ended ("current quarter")**

30 June 2020

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	846	4,239
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(83)	(1,034)
	(c) advertising and marketing	(9)	(139)
	(d) leased assets	(4)	(16)
	(e) staff costs	(492)	(2,414)
	(f) administration and corporate costs	(253)	(1,297)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	13
1.5	Interest and other costs of finance paid	(237)	(973)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Net cash from commercial lending	679	1,808
1.9	Proceeds from sale of trailbook	-	1,774
1.10	Other (provide details if material)	35	(50)
<b>1.11</b>	<b>Net cash from / (used in) operating activities</b>	<b>483</b>	<b>1,911</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(62)	(83)
	(d) investments	(13)	(114)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	(6)	(10)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(81)</b>	<b>(207)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	200	200
3.6	Repayment of borrowings	-	(42)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>200</b>	<b>158</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,180	919
4.2	Net cash from / (used in) operating activities (item 1.9 above)	483	1,911

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(81)	(207)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	200	158
4.5	Effect of movement in exchange rates on cash held	(1)	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,781</b>	<b>2,781</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,781	2,186
5.2	Call deposits		
5.3	Bank overdrafts	-	(6)
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,781</b>	<b>2,180</b>

**6. Payments to related parties of the entity and their associates**

- |     |   | <b>Current quarter<br/>\$A'000</b> |
|-----|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 147,326                            |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 |                                    |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
3,518	3,518

7.5 **Unused financing facilities available at quarter end**


- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Facility 1 Limit: \$838,243 (Secured)  
Lender: National Australia Bank  
Interest rate: 3.80% pa  
Facility 2 Limit: \$180,000 (Unsecured)  
Lender: Tin Family Super Fund  
Interest rate: 10% pa  
Facility 3 Limit: \$200,000 (Unsecured)  
Lender: Li Meng  
Interest rate: 10% pa  
Facility 4 Limit: \$200,000 (Unsecured)  
Lender: Yongyi Liang  
Interest rate: 10% pa  
Facility 5: Convertible Notes of \$200,000 with face value of \$0.20 per Convertible Note  
Lender: Yoke Meng Chan  
Interest rate: 10% pa  
Facility 6: Convertible Notes of \$100,000 with face value of \$0.20 per Convertible Note  
Lender: Ven Tan Pty Ltd Superannuation Fund  
Interest rate: 10% pa  
Facility 7: Convertible Notes of \$70,000 with face value of \$0.20 per Convertible Note  
Lender: Peng Yeow Yong and Teng Heong Gan  
Interest rate: 10% pa  
Facility 8: Convertible Notes of \$1,000,000 with face value of \$0.20 per Convertible Note  
Lender: Siew Bee Tong  
Interest rate: 10% pa  
Facility 9 Limit: \$200,000 (Unsecured)  
Lender: Rong Chen  
Interest rate: 6% pa  
Facility 10 Limit: \$130,000 (Unsecured)  
Lender: HZHH Super Fund  
Interest rate: 10% pa  
Facility 11 Limit: \$100,000 (Unsecured)  
Lender: Zhigang Chang  
Interest rate: 8% pa  
Facility 12 Limit: \$100,000 (Unsecured)  
Lender: Zhigang Chang  
Interest rate: 10% pa  
Facility 13 Limit: \$200,000 (Unsecured)  
Lender: Tin Family Super Fund  
Interest rate: 8% pa

No additional facility after quarter end.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.11)	483
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,781
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,781
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>6</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

29/07/2020

Date: .....



Authorised by: .....  
Ren Hor Wong (CEO)

### Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.