

28 January 2025

N1H Quarterly activity report and trading update (for the period of 1 October 2024 to 31 December 2024)

N1 Holdings Limited (ASX: **N1H** or the “**Company**”) is pleased to announce the December 2024 quarter business update and cashflow results. The Company continues to diligently navigate the challenges presented by higher cost of funds and an operating environment with fewer market transactions. Despite these challenges, the Company continues to achieve growth in revenue, EBIDTA and profitability. The Company’s management attributes this growth to rigorous risk control, a refined funding structure and streamlining of the Company’s operational expenditure.

In line with its risk management approach, the Company’s management has always been averse to construction and development lending. Instead, the team focuses on lending secured by established properties, with niches in yield-generating commercial properties, investment residential properties and prestige properties. This approach, which follows a set of pre-defined pool parameters, ensures the Company maintains a strong equity buffer and liquidity in its loan portfolio whilst also achieving a balanced risk-reward outcome.

The Company’s management is pleased with the current quality of the loan book, as evidenced by the high number of successfully closed loans and replenishment of the Company’s cash balance (see section 1.8 “Net Cash from Commercial Lending” on the accompanying Appendix 4C). Notwithstanding, the Company’s risk management team continues to exercise caution when evaluating potential loans and deploying capital into these loans. Finally, the Company’s management is proud to have made significant progress in expanding funding capacity, reducing our cost of funds and controlling operational expenditure.

As highlighted below, the Company is excited to present key performance metrics that are a testament to the successful execution of management’s strategy.

Highlights of FYTD (1 July 2024 to 31 December 2024) and quarterly cash flow and financial performance:

- Net profit for the first half year of the financial year ending 30 June 2025 (**HY2025**) was approximately \$633,000 (unaudited), with EBIDTA of \$814,000 (unaudited).
- Revenue for HY2025 was \$10.63 million (unaudited). An uplift of 26.34% compared with the same period last financial year.
- Cash receipts from customers amounted to \$2.93 million for Q2 of FY25 with the size of this figure correlated to the timing of interest payments received from customers.
- The Company’s SME lending business (including management fees derived from One Lending Fund through N1 Asset Management) continued to be the major revenue generator of the Company, accounting for 94% of total cash receipts from customers in the quarter. Total cash receipts from customers via the SME Lending business were \$2.76 million for the quarter.
- Net cash inflow from operating activities for the quarter was \$6.612 million.
- The Company’s cash balance as of 31 December 2024 was \$15.187 million.

Company Business activities

During Q2 of FY25, the Company recorded gross revenue of \$5.35 million (unaudited) with a net profit of approximately \$83,000 (unaudited).

The Company’s management continues to monitor various economic indicators released in the market so that the Company may respond in the most optimal way. Whilst not speculating on the timing and direction

of the next cash rate movement, the Company has successfully refined its cost of funds and is finalising a new funding source that will materially improve the Company's lending rates and capacity to fund more deals.

In 2025, the Company will be actively allocating resources in marketing activities, including through third-party channels such as the Company's network of mortgage brokers and referral partners in the real estate industry, in order to strengthen deal flow quality and in preparation for funding growth and further improvements to the loan book quality.

One Lending Fund's revenue was \$621K (unaudited) for Q2 FY25. Please note that One Lending Fund's revenue does not form part of the Company's revenue (as this is a separate SME lending fund managed by N1 Asset Management, a 100% owned subsidiary of the Company).

As of the date of this report, the total lending capacity that the Company is able to access and manage is approximately \$205 million, which consists of approximately \$35 million of balance sheet capital raised from private debt, \$150 million under various debt facilities and approximately \$20 million from One Lending Fund, mortgage funds under management. Please note that One Lending Fund is not consolidated into the Company's financial statements and is managed by N1 Venture Pty Ltd, a 100% owned subsidiary of N1H.

The Company continues to raise funds for SME lending purposes, including via One Lending Fund.

Payments to related parties of the entity and their associates

- Salary and super to executive directors of \$222,847; and
- Services provided by director related entities of \$42,122. 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
renwong@n1holdings.com.au

About N1 Holdings Limited (ASX: N1H)

N1 Holdings is positioned in the market as a property-backed private credit lender in the Australian SMEs sector. N1 is funded by a set of resilient funding source including balance sheet capital, N1-managed mortgage fund, debt and warehouse facilities. With the growth in lending from non-traditional sources, such as alternative banks and non-bank lenders, N1 with its unique competitive advantages is perfectly placed to advise businesses and sophisticated property investors through this changing lending landscape and to be the preferred private debt asset manager for HNWIs, family offices and institutions.

N1 Holdings Limited ABN 44 609 268 279
Address: Suite 502, 77 King Street, Sydney NSW 2000
Phone: 02 9262 6262 Fax: 02 9299 1286
Email: investor@n1holdings.com.au

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")

31 December 2024

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	2,929	7,561
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(695)	(1,151)
(c) advertising and marketing	(192)	(245)
(d) leased assets	-	-
(e) staff costs	(700)	(1,468)
(f) administration and corporate costs	(334)	(720)
1.3 Dividends received (see note 3)		
1.4 Interest received	128	211
1.5 Interest and other costs of finance paid	(3,510)	(6,667)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Net cash from commercial lending	9,093	5,200
1.9 Proceeds from sale of trailbook	-	-
1.10 Other (provide details if material)	(107)	(133)
1.11 Net cash from / (used in) operating activities	6,612	2,588
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(28)	(43)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(116)	(347)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	0	33
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	(285)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(144)	(642)

3. Cash flows from financing activities		
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	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	(291)	(291)
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(291)	(291)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	9,010	13,532
4.2 Net cash from / (used in) operating activities (item 1.11 above)	6,612	2,588

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(144)	(642)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(291)	(291)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	15,187	15,187

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	15,352	9,023
5.2	Call deposits		
5.3	Bank overdrafts	(165)	(13)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,187	9,010

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

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

265

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	-	-

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.

No unsecured financing facility after quarter end.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.11)	6,612
8.2 Cash and cash equivalents at quarter end (item 4.6)	15,187
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	15,187
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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?

8.6.2 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?

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

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

28 January 2025

Date:



Authorised by:
Ren Hor Wong (CEO)

Notes

1. 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.
2. 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.