

28 October 2022

N1H sets record performance Quarterly activity report and trading update (for the period of 1 July 2022 to 30 September 2022)

N1 Holdings Limited (ASX: **N1H** or the “**Company**”) is pleased to announce the September 2022 quarter cashflow which records continued growth in various business segments including Small and Medium Enterprises (**SME**) lending, mortgage management (branded commercial and residential loans - N1 Plus) and mortgage brokerage, throughout the first quarter of FY2023 (1 July 2022 to 30 September 2022). For Q1 of FY23, the Company set another record performance, with significant uplift in cash receipts from customers, revenue and net profit compared to the previous quarters and financial year.

A highlight of the quarter and financial year’s cash flow and financial performance:

- Net profit of approximately \$245,495 (unaudited) during Q1 FY2023, compared to a net profit of \$214,918 for the same period last financial year. An uplift of 14%.
- EBITDA of approximately \$428,514 (unaudited), an uplift of 2% compared to the same period last financial year.
- Revenue of \$3.6 million (unaudited), an uplift of 59% compared to the same period last financial year.
- Cash receipts from customers of \$4.039 million for the Q1 FY2023, an uplift of 41% compared to same period last financial year.
- 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 87% of the total cash receipts from customers in the quarter. Total cash receipts from customers via the SME Lending business was \$3,500,237 for the quarter.
- Net cash outflow from operating activities of \$483,000 due to “Net cash from commercial lending” of \$1,160,000. “Net cash from commercial lending” is more accurately interpreted as the net of balance sheet capital lent and repaid by borrowers, minus the net of capital raised and repaid by investors in the form of debt on balance sheet. Technically, the higher outflow the “Net cash from commercial lending” line item is, the more capital is lent than repaid, taking into account of capital raised or repaid to investors. Adjusted net cash from operating activities hence become \$677,000.
- The Company’s cash balance as of 30 September 2022 was \$13,539,000.

Company Business activities

The Company recorded quarterly revenue of \$3.6 million (unaudited).

The management of the Company acknowledges the increased cost of funds as reflected in the “Interest and other costs of finance paid” line item due to rate rises by RBA, and the back-book of loans deployed in prior quarters that may impact the margin of the business.

One Lending Fund revenue was \$788,573 (unaudited) for Q1 FY23. 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). Management fees paid from One

Lending Fund to N1 Asset Management were \$333,828 (unaudited) for Q1 FY23.

As of 30 September 2022, the Company has committed SME lending capital in excess of \$98 million. This amount includes \$20 million of committed balance sheet capital, \$55 million from a warehouse facility and \$23 million from lending funds issued and managed by N1 Asset Management.

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

Payments to related parties of the entity and their associates

- Salary and super to executive directors of \$193,847; and
- Services provided by director related entities of \$26,062. 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 provides strategic advice to businesses, project developers and property investors seeking new capital/debt or refinancing existing debt. We assist borrowers through the complex application processes of Australian major banks, private funds, and offshore debt capital providers. With the growth in lending from non-traditional sources, such as alternative banks and non-bank funders and lenders, N1H's domestic and foreign strategic relationships perfectly places it to advise its clients through this changing lending environment and debt market. N1H's core services include business lending, cross-border corporate financing, project funding, fund trustee services and vendor finance solutions.

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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,040	4,040
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(481)	(481)
(c) advertising and marketing	(26)	(26)
(d) leased assets	-	-
(e) staff costs	(681)	(681)
(f) administration and corporate costs	(507)	(507)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1,602)	(1,602)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Net cash from commercial lending	(1,160)	(1,160)
1.9 Proceeds from sale of trailbook	-	-
1.10 Other (provide details if material)	(66)	(66)
1.11 Net cash from / (used in) operating activities	(483)	(483)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(80)	(80)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(15)	(15)
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)	-	-
2.6 Net cash from / (used in) investing activities	(95)	(95)

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	(26)	(26)
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	(26)	(26)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	14,143	14,143
4.2 Net cash from / (used in) operating activities (item 1.11 above)	(483)	(483)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(95)	(95)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(26)	(26)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,539	13,539

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	13,539	14,143
5.2	Call deposits		
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)	13,539	14,143

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
220

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

7. Financing facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,605	1,605
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	1,605	1,605

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: \$654,877.30 (Secured)
Lender: National Australia Bank
Interest rate: 6.355% pa
Facility 2 Limit: \$380,000 (Unsecured)
Lender: Tin Family Super Fund
Interest rate: 8% pa
Facility 3 Limit: \$200,000 (Unsecured)
Lender: Li Meng
Interest rate: 7% pa
Facility 4: Convertible Notes of \$70,000 with face value of \$0.20 per Convertible Note
Lender: Peng Yeow Yong and Teng Heong Gan
Interest rate: 8% pa
Facility 5 Limit: \$100,000 (Unsecured)
Lender: Rong Chen
Interest rate: 6% pa
Facility 6 Limit: \$100,000 (Unsecured)
Lender: Zhigang Chang
Interest rate: 7% pa
Facility 7 Limit: \$100,000 (Unsecured)
Lender: Zhigang Chang
Interest rate: 7% pa

No additional 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)	(483)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,539
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	13,539
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	28

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?

Answer:

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?

Answer:

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?

Answer:

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

- 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.

28/10/2022

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.
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.