

28 July 2017

ASX Market Announcement
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

APPENDIX 4C QUARTERLY REPORT AND COMPANY UPDATE

N1 Holdings Limited (ASX: N1H) (“N1” or the “Company”) is pleased to present this Appendix 4C quarterly report and update on its activities for the period 1 April to 30 June 2017.

Highlights

- Record quarterly customer cash receipts
- Continued investing activities with total investment of \$2.85m in FY2017
- Loan book increased to 799m as at June 2017 with 87% of trail income retained by the company
- N1 Realty achieved record quarterly revenue of \$271,500

Company activities update

N1 has achieved record quarterly customer cash receipts despite challenging lending environment. Regulators’ recent initiatives of curbing investment lending and interest only loans have led to expected subdued new lending growth across the industry. Despite this, N1 Loans bucked the trend to achieve impressive loan book growth.

- Q4 FY2017 operating cash inflows increased by 14.95% compared to Q3 FY2017
- Q4 FY2017 operating cash outflows reduced by 4.24% compared to Q3 FY2017

Company estimate further reduction in operational cash outflow in the following quarter due to non-recurring expenses and economies of scale.

N1 invested \$98,000 in Q4 FY2017, with a total investment of \$2.85m in FY2017. Meanwhile, N1 also committed into \$56,000 principal and interest repayment in Q4 FY2017 and \$145,000 principal and interest repayment in FY2017 to reduce cost of financing activity. N1 is still actively seeking investing and acquisition opportunities.

N1 Loans’ loan book stands at about \$799m as at 30 June 2017, with 87% of trail incoming cash flow retained by the Company, due to the Company’s unique PAYG employee model, unlike the traditional franchise or commission based contractor models which are common across the industry. Strong recurring cash inflow via loan book trail income and monthly incremental due to new loans settled is expected to further strengthen the Company’s cash flow position. The net value of the Company’s future trail income receivable is independently assessed to be presented after completion of the audit of the Company’s annual financial statements.

N1 Realty and N1 Migration both achieved impressive growth during Q4 FY2017 Q4 compared to previous quarter with an increase to revenue of 312.72% (for N1 Realty) and 489.43% (for N1 Migration).

Please note that all figures presented in this announcement are provided on an unaudited basis.

Cash

N1’s cash position as at 30 June 2017 was \$0.907 million.

For further information, please contact:

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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

N1 Holdings Limited

ABN

44 609 268 279

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,135	4,233
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(263)	(1,207)
(c) advertising and marketing	(77)	(274)
(d) leased assets	(1)	(17)
(e) staff costs	(786)	(2,863)
(f) administration and corporate costs	(334)	(1,484)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	28
1.5 Interest and other costs of finance paid	(18)	(32)
1.6 Income taxes paid	-	18
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(34)	(106)
1.9 Net cash from / (used in) operating activities	(375)	(1,704)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(296)
(b) businesses (see item 10)	-	-
(c) investments	-	(1,740)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(98)	(818)
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	(98)	(2,854)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	370	370
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	380	1,380
3.6 Repayment of borrowings	(56)	(145)
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	694	1,605

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	686	3,853
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(375)	(1,704)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(98)	(2,854)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	694	1,605

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	7
4.6	Cash and cash equivalents at end of quarter	907	907

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	912	691
5.2	Call deposits		
5.3	Bank overdrafts	(5)	(5)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	907	686

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
185
-

Payments to director and director related parties above include:

- Salary and super to executive directors of \$147,728; and
- Services provided by director related entities of \$37,687. Costs are determined on an arm's length basis.

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
-
-

N/A

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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	1,248	1,248
8.2 Credit standby arrangements	-	-
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.		

Facility 1 Limit: \$867,664 (Secured, Original loan amount is \$1,000,000)

Lender: National Australia Bank

Interest rate: 5.37% pa

Facility 2 Limit: \$180,000 (Unsecured)

Lender: Tin Family Super Fund

Interest rate: 10% pa

Facility 3 Limit: \$200,000 (Unsecured)

Lender: Meng Li

Interest rate: 7% pa

No additional facility after quarter end.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(222)
9.3 Advertising and marketing	(75)
9.4 Leased assets	(1)
9.5 Staff costs	(732)
9.6 Administration and corporate costs	(331)
9.7 Other (provide details if material)	(29)
9.8 Total estimated cash outflows	(1,390)

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		

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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.



Sign here:
(CEO)

Date: 28/07/2017

Print name: Ren Hor Wong

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.

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