

26 July 2018

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2018

HIGHLIGHTS

- Strong cash position of \$8.025M plus \$3.55M in investments
- Successfully integrated service & success fees into our investment model to amplify returns
- Allocating capital across different asset classes
- Demonstrated ability to add value to our investments
- Maintaining modest operating cost whilst actively managing investment portfolio

BUSINESS AND TRADING UPDATE

First Growth Funds Limited (“FGF” or “the Company”) provides the following update on the Company’s activities during the quarter ended 30 June 2018.

FGF had total cash of \$8.025M, \$1.245M in Digital Currency investments, \$0.93M in private investments and \$1.378M in listed equities at 30 June 2018. FGF was very active during the quarter with the successful setup of the Digital Currency Business Unit, investments in 8 new Digital Currency Deals, and investments in listed equities. FGF maintained modest operating costs during the quarter. The Administration and Corporate Costs of \$251,000 included \$90,569 in one-off legal fees due to the volume and complexity of some of the investments in the quarter.

Strategically, FGF structures some of its investments by adding fees to deliver revenue and also a higher net return on investments. These fees are in addition to the equity or tokens FGF receives for its investment. Below are four examples where fees are payable to FGF as part of its investment:

CryptoData Vault

FGF is entitled to **6% success fee** on the sale of tokens owned by CryptoData Vault for providing advisory services on marketing activities and future token sales.

Acudeen

FGF will receive 20% of the token pool and will be entitled to a **US\$250,000 fee** payable once the first US\$1m is raised in the token sale.

FGF is also entitled to a **6.25% fee** on the sale of tokens held by Acudeen. The first commission payment is due once Acudeen raises US\$5M.

CCP Technologies (ASX:CT1)

On 17 July, the Company announced a strategic investment of \$250,000 in ASX listed CCP Technologies ("CT1"). Under the terms of the agreement, FGF will be paid a **\$34,000 fee** for facilitating the investment round that included Penta Global.

For further information, see ASX announcement release dated 17 July 2018.

Kleos Space

FGF recently invested \$250,000 in the IPO of Kleos Space, which successfully raised \$11m and expects to list on the ASX on 27 July 2018. Kleos has developed a system of shoe-box sized satellites that will give governments and corporations the ability to track geolocation data. FGF will be paid a **5% broker fee** on its investment.

FGF's other investments include:

Cloud Lumen

Cloud Lumen has developed an energy efficient, customisable LED lighting fixture technology used by large corporate and government clients in North America

EQI Bank

EQI aims to launch the world's first licensed and fully regulated offshore bank providing Private and Corporate Banking, Cryptocurrency Custody, Fiat and Cryptocurrency Lending, Insured Wallet and Cold Storage, Settlement and Clearing, and Blockchain Compliance. EQI is planning to list on the exchanges in the second half of 2018.

Proton

Proton is a public chain dedicated to digital marketing. It allows platforms and users to share data confidently with advertisers. Proton will list on the exchanges in the second half of 2018.

Human Protocol

Human Protocol tokens are the currency that data scientists purchase to access data labeling using hCaptcha. The Pre-Sale ICO was oversubscribed and included institutional investors. Human Protocol will list on the exchanges in the second half of 2018.

Bankorus

Bankorus is a private wealth management platform powered by AI and built on the blockchain. Operating since 2013 MiCai, the parent company of Bankorus is a Registered Investment Advisor with FINRA and the Securities and Exchange Commission of the United States of America. With \$30 Billion of assets that its software handles and more than 200,000 High Net worth Individuals, it will serve as a bridge to unlock these funds from traditional assets into digital and crypto assets.

Lympo

Lympo is a health application that rewards its community members to become fit and healthy. Powered by user-generated and user-controlled fitness and wellness data, Lympo will allow the exchange of value through the introduction LYM utility tokens. Lympo has partnered with top ranking tennis player Caroline Wozniacki to help form partnerships with tennis teams and is also activity looking to partner with other sports including NBA and NFL champion clubs. Lympo has successfully completed its ICO and is listed on three digital currency exchanges.

MailGuard “GlobalGuard”

Founded in 2001, MailGuard is now the world’s largest private Software as a Service (SaaS) security company, delivering business-to-business email and web security to customers in 27 countries. MailGuard has agreements with the world’s largest providers of email mailboxes and internet security systems. MailGuard is launching GlobalGuard, a new AI platform protecting businesses world wide from high value cyber security damage and criminal threats including email malware, phishing and social engineering attacks.

Pearl Global

Pearl Global Limited is an Australian Securities Exchange listed company applying unique, next-generation technology to cleanly convert waste into valuable products. FGF invested at pre-IPO and successfully listed the company on the ASX.

Datable Technology Corporation

Datable is listed on the Canadian stock exchange and provides consumer digital and social media engagement, data mining, and loyalty solutions primarily in Canada and the United States. On 28 June 2018, FGF announced an investment of CAD\$210,000 in Datable. Given the timetable for the placement was going to take much longer than initially agreed, FGF has elected to have its funds returned.

CASH AND INVESTMENTS

As at the date of this report the Company held approximately \$8.025M in available cash.

Investments held by the Company at the date of this report:

ASX Listed investments with combined market valuation of \$1,378,000

Total Digital Currency investments at cost valuation of \$1,245,000

Total Private investments at cost valuation of \$930,000

Note: The Company applies cost valuation on private investments until such time as the investments can be valued by the market accordingly such as exchange listing, trade sale or a liquidity event.

ISSUED CAPITAL

The following table represents the total equity instruments on issue in First Growth Funds Ltd

Equity Category	Details	Number on Issue
Listed Ordinary Shares	ASX : FGF	1,510,959,281
Options	Unlisted Options Strike Price of \$0.03	292,257,907

+Rule 4.7B

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

First Growth Fund Limited	
ABN	Quarter ended ("current quarter")
34 006 648 835	30 June 2018

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	0	0
1.2	Payments for:		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	0	0
	(d) leased assets	0	0
	(e) staff costs	(73)	(287)
	(f) administration and corporate costs	(251)	(645)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	47	71
1.5	Interest and other costs of finance paid	(0)	(0)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	0	0
1.8	Other - proceeds from trading	3,820	4,909
	Other - trading payments	(4,539)	(5,015)
1.9	Net cash from / (used in) operating activities	(996)	(967)

2		Current quarter \$A'000	Year to date (12 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	0
	(c) investments	(1,245)	(1,605)
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.2	Proceeds from disposal of:	0	0
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	0
	(c) investments	0	0
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	(1,245)	(1,605)

3	Cash flows from financing activities	Current quarter \$A'000	Year to date (12 months) \$A'000
3.1	Proceeds from issues of shares	0	4,454
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	0	5,421
3.4	Transaction costs related to issues of shares, convertible notes or options	0	(118)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	0	9,757

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	10,266	840
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(996)	(967)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,245)	(1,605)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	9,757
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of quarter	8,025	8,025

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	8,025	10,266
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,025	10,266

6	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	111
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7	Payments to related entities of the entity and their associates	Current quarter
		\$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8	Financing facilities available	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	0	0
8.2	Credit standby arrangements	0	0
8.3	Other (please specify)	0	0
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.		

9	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	0
9.2	Product manufacturing and operating costs	0
9.3	Advertising and marketing	0
9.4	Leased assets	0
9.5	Staff costs	(70)
9.6	Administration and corporate costs	(150)
9.7	Other - trading payments	0
9.8	Total estimated cash outflows	(220)

10	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	n/a	n/a
10.2	Place of incorporation or registration	n/a	n/a
10.3	Consideration for acquisition or disposal	n/a	n/a
10.4	Total net assets	n/a	n/a
10.5	Nature of business	n/a	n/a

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: 
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Company secretary

Date: 26 July 2018

Print name: Julie Edwards

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.