

30 April 2019

## **ACTIVITIES REPORT FOR THE QUARTER ENDED 30 APRIL 2019**

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### **BUSINESS AND TRADING UPDATE**

First Growth Funds Limited provides the following update on the Company's activities during the quarter ended 30 April 2019.

FGF is a diversified investment company investing across a broad range of asset classes and industry verticals. FGF held a well-balanced portfolio in the quarter of \$10.57M in cash and investments at cost value. This included a strong cash position of \$3.0M, \$3.63M at cost value in listed equities, \$2.67M at cost value in private equity and \$1.27M at cost value in Digital Currency.

#### ***Listed Equities:***

FGF continued to focus on investment opportunities in listed equities that represent 34% of its total portfolio at cost value. The following are two examples of listed equities held by FGF during the quarter.

#### **Kleos (ASX:KSS)**

In the June 2018 quarterly report FGF announced it had invested \$250,000 in the IPO of Kleos Space, which successfully raised \$11m. Kleos has developed a system of shoe-box sized satellites that will give governments and corporations the ability to track geolocation data.

KSS share price had significantly recovered during the March quarter and FGF has taken some profits and continues to hold the stock.

#### **Pearl Global: (ASX:PG1)**

Pearl Global successfully listed in early 2018. During the March quarter, PG1 announced new customer contracts and signed an agreement to raise \$5M in new capital. FGF was an investor in Pearl Global prior to its listing and continues to hold the stock.

#### ***Unlisted blockchain and ICO investments:***

In January 2019, FGF announced a binding Heads of Agreement with Harris Technology (ASX:HT8) to sell 100% of LINCD. HT8 will hold their EGM on 3 May 2019, with completion of the sale of LINCD to HT8 to occur on the EGM date.

#### **Globex:**

In February 2019, FGF secured a US\$250,000 investment in GlobexUS Holdings Corp. Globex is developing software solutions for regulated security digital assets.

### ***Pre-IPO Equity Investments:***

In March 2019, FGF announced an investment in SQID Technologies Ltd. SQID is an approved payment aggregator in the payments industry providing e-commerce, in store terminals and mobile payments. Sqid Payments is a profitable unlisted public company with growing revenues and has a highly experienced management team.

### **Australian Nutrition & Sports Limited**

Australian Nutrition & Sports is in the process of listing on the ASX. FGF has provided a short-term interest bearing loan of \$200,000.

### ***First Growth Advisory***

In February 2019, First Growth Advisory (FGA) strengthened its board by appointing Jeff Pulver and James Haft as independent non-executive directors. Both Mr Pulver and Mr Haft are based in NY and have extensive commercial and investment experience across a broad range of asset classes. The five current directors of FGF also remain as directors of FGA.

In furtherance of FGF's activities in investing in a diversified portfolio of asset classes, it is imperative that it remains an active and engaged investor. To this end FGA was established to continue to support and add value to FGF's investment portfolio by:

- **Actively managing investments** - support its portfolio of companies to achieve their maximum potential;
- **Undertaking due diligence, monitoring and adding value** - maintaining the right internal team and structure to run quality due diligence on each potential transaction, monitor performance of all investments over time and look for opportunities to add value;
- **Referring to experts** - the Company has and maintains access to industry experts that can be referred to its portfolio companies including, but not limited to, unlisted and blockchain related opportunities;
- **Being open to co-investors** - the Company collaborates with other co-investors, which helps leverages the experiences of other investors with additional due diligence insights, greater access to funding for the Company's investment portfolio and links to new networks to add value.

First Growth Advisory will only support companies that have received investment from FGF. It should also be noted that FGF and FGA are not involved in, and do not provide token advisory services for, the development, creation, issuing and listing of Tokens.

### **Tripoint Equities**

FGA signed an agreement with Tripoint Equities (a global investment bank) to gain access to deal flow from the US market across all asset classes including unlisted pre-IPO opportunities, listed, and blockchain related opportunities. There may also be opportunities to introduce the FGF's investment portfolio (across all asset classes) to Tripoint.

+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

31 March 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	14	100
1.2	Payments for:		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	(4)	(99)
	(d) leased assets	0	0
	(e) staff costs	(121)	(274)
	(f) administration and corporate costs	(260)	(674)
1.3	Dividends received (see note 3)	4	18
1.4	Interest received	25	69
1.5	Interest and other costs of finance paid	0	(1)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	0	0
1.8	Other - proceeds from trading	1,856	7,330
	Other - trading payments	(1,760)	(9,895)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(246)</b>	<b>(3,426)</b>

2 Cash flows from investing activities		Current quarter \$A'000	Year to date (9 months) \$A'000
2.1	Payments to acquire:		
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	(1)
	(c) investments	(854)	(1,707)
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	0
	(c) investments	0	312
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	(200)	(200)
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,054)</b>	<b>(1,596)</b>

<b>3</b>	<b>Cash flows from financing activities</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
3.1	Proceeds from issues of shares	0	0
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	0	0
3.4	Transaction costs related to issues of shares, convertible notes or options	0	0
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
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>0</b>	<b>0</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 quarter/year to date	4,303	8,025
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(246)	(3,426)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,054)	(1,596)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,003</b>	<b>3,003</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	3,003	4,303
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,003</b>	<b>4,303</b>

<b>6</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	132
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	

**7 Payments to related entities of the entity and their associates**

Current quarter
\$A'000
0
0

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

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**8 Financing facilities available**

*Add notes as necessary for an understanding of the position*

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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.

Total facility amount at quarter end	Amount drawn at quarter end
\$A'000	\$A'000
0	0
0	0
0	0

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9	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	
9.2	Product manufacturing and operating costs	
9.3	Advertising and marketing	
9.4	Leased assets	
9.5	Staff costs	(120)
9.6	Administration and corporate costs	(200)
9.7	Other - trading payments	
9.8	<b>Total estimated cash outflows</b>	<b>(320)</b>

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: 30 April 2019

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.