



ABN 23 003 669 163

16 June 2020

ASX Compliance Pty Limited
20 Bridge Street
SYDNEY NSW 2000

RE: Integrated Green Energy Solutions Limited (“IGES” or “the Company”)

Please see attached IGES’s Appendix 4C for the quarter ending 31 March 2020 in the updated format.

As previously announced, IGES has a loan agreement with Structured Growth Capital Inc (“SGC”) for US\$90 million (A\$131 million). SGC is a leading financier within a senior secured funding institution. SGC has traded for over 15 years and has successfully transacted over 300 financings in excess of US\$3 billion (A\$4.4 billion).

IGES and SGC have entered into both a loan agreement and an escrow agreement. As part of these legal contractual commitments, IGES was required to deposit US\$1.5 million into a term deposit escrow account. SGC in turn is contractually obligated to release loan funds to IGES in the amount of US\$90 million from the SGC balance sheet.

In the period between 31 December 2019 and 31 March 2020, the Company reclassified its deposit with SGC as a cash equivalent, where it had previously been classified as a current asset – “*Funds Held in Escrow*”. The board believes this is a more appropriate classification of these funds given SGC has confirmed in writing that this US\$1.5 million, previously paid to SGC by IGES and currently held on term deposit by SGC on behalf of IGES, can be called upon at any time and will be transferred to the Company within 20 business days should IGES decide to withdraw from the loan funding agreement for any reason.

The directors recognise that given these unprecedented times that we may need to call on this US\$1.5 million term deposit to meet our working capital obligations.

This term deposit ensures that IGES is able to meet operating expenses for in excess of 4 quarters and when added to our other term deposits gives the Company more than 5 quarters of liquidity.

These funds have been verified to the satisfaction of our auditors via periodic statements of term deposit account recognition from the President of SGC, Mr Brian Engel.

Please also note \$124,000 was paid in directors fees during this quarter. This includes payments to both the three executive directors and two non-executive directors.

Regards,

A handwritten signature in black ink, appearing to read "J. Herbertson", is written over a light blue horizontal line.

Joshua Herbertson
Company Secretary
Integrated Green Energy Solutions Limited

Appendix 4C

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

Name of entity

Integrated Green Energy Solutions Ltd

ABN

23 003 669 163

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-3	-37
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-35
(d) leased assets	-	-
(e) staff costs	-390	-1,223
(f) administration and corporate costs	-339	-847
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-22
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	134	496
1.8 Other (provide details if material)	15	520
1.9 Net cash from / (used in) operating activities	-583	-1,148

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-152	-1,743
(d) investments	-	-
(e) intellectual property	-	-14
(f) other non-current assets	-	-
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 (reclassification of SGC deposit)	2,458	2,458
2.6 Net cash from / (used in) investing activities	2,306	702

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	-	2,506
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	886	2,509
3.6 Repayment of borrowings	-	-2,543
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	886	2,472

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	555	1,137
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-583	-1,148
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,306	702
4.4	Net cash from / (used in) financing activities (item 3.10 above)	886	2,472
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,163	3,163

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	705	555
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (In the period between 31 December 2019 and 31 March 2020, the Company reclassified its deposit with SGC as a cash equivalent, where it had previously been classified as a current asset Funds Held in Escrow. The board believes this is a more appropriate recognition of the funds)	2,458	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,163	555

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	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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	9,222	9,222
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.

Loan facilities are held with:

Lending Group	Loan Principal	No. of Loans	Min Loan	Max Loan	Maturity	Interest Rate	Security
Unrelated Parties	204,580	4	14,012	112,099	May-20	12%	Unsecured
Unrelated Parties	3,011,034	17	11,184	611,408	Jun-20	12%	Unsecured
Unrelated Parties	2,127,411	3	63,973	837,335	Jul-20	12%	Unsecured
Related Parties							
Paul Dickson	3,655,577	1	N/A	N/A	Upon funding Drawdown	N/A	Unsecured
David McIntosh	222,898	1	N/A	N/A	Jun-20	12%	Unsecured

Unrelated party lenders are private individuals, super funds of private individuals, and private companies

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	-583
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,163
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,163
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	5.43

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

- 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: N/A

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: N/A

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: 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.

Date: 16 June 2020

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

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.