

Appendix 4C

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

Name of entity

Zebit, Inc.

ABN

639 736 726

Quarter ended ("current quarter")

Dec 31, 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1 Cash flows from operating activities		
1.1 Receipts from customers	24,180	102,518
1.2 Payments for	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	(21,613)	(87,698)
(c) advertising and marketing	(1,017)	(10,090)
(d) leased assets	(195)	(714)
(e) staff costs	(2,460)	(8,202)
(f) administration and corporate costs	(1,913)	(7,735)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(463)	(2,041)
1.6 Income taxes paid	-	(6)
1.7 Payments for technology expenses	(180)	(672)
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,661)	(14,637)
2 Cash flows from investing activities		
2.1 Payments to acquire:	-	-
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment*	13	(58)
(d) investments	-	-
(e) Purchase or development of intangible assets**	(243)	(484)
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) Purchase or development of intangible assets	-	-
(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	(230)	(542)
3 Cash flows from financing activities		
3.1 Proceeds from issues of shares (Net of issuance costs)	-	-
3.2 Proceeds from issue of convertible notes (Net of issuance costs)	-	-
3.3 Proceeds from exercise of share options	5	98
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	3,230	3,900
3.6 Repayment of borrowings	(2,371)	(3,539)
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	864	459
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	10,895	22,587
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,661)	(14,637)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(230)	(541)

* Current quarter purchase of property, plant and equipment includes a reclassification of \$23,104 to purchase of intangible. Actual cash outflows for the quarter related to purchase of property plant and equipment are \$10,065.

** Current quarter purchase of intangible assets include a reclassification of \$23,104 from property plant and equipment. Actual cash outflows for the purchase of intangible assets for the quarter are \$219,778.

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
4.4 Net cash from / (used in) financing activities (item 3.10 above)	864	459
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	7,868	7,868

Reconciliation of cash and cash equivalents	Current quarter \$US'000	Previous Quarter \$US'000
5 at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	7,718	10,745
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Restricted cash)	150	150
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,868	10,895

6 Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	103
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Payment to Director Salary and benefits (CEO)</i>	

Financing facilities		Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7. 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.			
7.1	Loan facilities	15,011	15,361
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	15,011	15,361
7.5	Unused financing facilities available at quarter end		(350)
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.			
The Company's debt facility with its lender totals \$35M and underlying borrowings are based on borrowing base eligibility tied directly to the company's accounts receivable. Negative value arises from a timing difference between the calculation of the eligible borrowing base and potential principal payments owed to the company's lender, which occurs the first business day following any month end. In early January 2022, the company repaid \$350k of principal in relation to its borrowing base at 31 December 2021.			

8 Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,661)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,868
8.3 Unused finance facilities available at quarter end (item 7.5)	(350)
8.4 Total available funding (item 8.2 + item 8.3)	7,519
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2
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: N/A	
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: N/A	
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: N/A	
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

- 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: 28 January 2022

Authorised by: Authorised by the Board of Zebit
 (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.