

30 October 2023

N1H Quarterly activity report and trading update (for the period of 1 July 2023 to 30 September 2023)

N1 Holdings Limited (ASX: **N1H** or the “**Company**”) is pleased to announce the September 2023 quarter cashflow results which demonstrate another strong result in “Receipts from customers”. The Company continues to see significant uplift in its level of enquiries and settlement pipeline. Rate stabilisation in the previous quarter has revived real estate market sentiment and has assisted with controlling the Company’s cost of funds. Whilst we await RBA’s rate decision in November, the Company has a well-defined strategy to navigate the current lending market. As previously noted, the Company did not pass on any rate rises to existing loan book throughout the last financial year and still achieved a profitable position. Meanwhile, the pool parameters of the Company’s loan book remain consistent across key metrics such as average loan size, average Loan to Value Ratio (**LVR**), average loan term, etc. As highlighted below, the Company is excited to present key performance metrics that is a testament to the successful execution of management’s strategy.

Highlights of the quarter (1 July 2023 to 30 September 2023) cash flow and financial performance:

- Net profit for the quarter ended 30 September 2023 (**Q1 FY24**) was \$53,000 (unaudited) with EBIDTA of \$212,000 (unaudited). The reduction in profitability (compared to the prior comparable period) was due to the RBA increasing the cash rate to 4.1% (cf. 2.25% in the same period last financial year). The Company did not pass on the rate rise to its back book of loan receivables and, nonetheless, maintained profitability.
- Revenue for Q1 FY24 was \$3.97 million (unaudited). An uplift of 10.28% compared with the same period last financial year.
- Cash receipts from customers amounted to \$5.335 million for Q1 FY24, representing an increase of 32.05% compared to the same period last financial year.
- The Company’s SME lending business (including management fees derived from One Lending Fund through N1 Asset Management) continued to be the major revenue generator of the Company, accounting for 89% of total cash receipts from customers in the quarter. Total cash receipts from customers via the SME Lending business were \$4.725 million for the quarter.
- Net cash inflow from operating activities was \$5.420 million.
- The Company’s cash balance as of 30 September 2023 was \$11.559 million.

Company Business activities

During Q1 FY24, the Company recorded revenue of \$3.97 million (unaudited). The Company’s SME lending business contributed \$3.62m of revenue in the quarter and accounted for 91% of the Company’s total revenue. The balance of other sources of revenue mainly comprised mortgage broking, mortgage management and funds management.

Whilst we do not foresee this financial year to repeat the same magnitude of rate rises experienced during FY23, the Company’s management is conscious of potential interest rate movements. To ensure profitability and growth, the Company is focused on maintaining its well-defined strategy and streamlining its operations. The Company continues to seek to expand its funding and controlling the costs of funds.

One Lending Fund’s revenue was \$634K (unaudited) for Q1 of FY24. Please note that One Lending

Fund's revenue does not form part of the Company's revenue (as this is a separate SME lending fund managed by N1 Asset Management, a 100% owned subsidiary of the Company). Management fees paid from One Lending Fund to N1 Asset Management were \$132K (unaudited) for Q1 FY24.

As of the date of this report, the total lending capacity that the Company is able to access and manage is approximately \$119 million, which consists of approximately \$20 million of balance sheet capital raised from private debt, \$78 million under various debt facilities and approximately \$21 million of mortgage fund under management. Please note that the mortgage fund is not consolidated into the Company's financial statements and are managed by N1 Venture Pty Ltd, a 100% owned subsidiary of N1H.

The Company continues to raise funds for SME lending purposes, including via One Lending Fund.

Payments to related parties of the entity and their associates

- Salary and super to executive directors of \$196,502; and
- Services provided by director related entities of \$36,096. Costs are determined on an arm's length basis.

Authorised for release by the Chairman.

For more information, please contact:

Ren Hor Wong

Chairman & Chief Executive Officer
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About N1 Holdings Limited (ASX: N1H)

N1 Holdings provides strategic advice to businesses, project developers and property investors seeking new capital/debt or refinancing existing debt. We assist borrowers through the complex application processes of Australian major banks, private funds, and offshore debt capital providers. With the growth in lending from non-traditional sources, such as alternative banks and non-bank funders and lenders, N1H's domestic and foreign strategic relationships perfectly places it to advise its clients through this changing lending environment and debt market. N1H's core services include business lending, cross-border corporate financing, project funding, fund trustee services and vendor finance solutions.

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Appendix 4C

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

Name of entity

N1 Holdings Limited

ABN

44 609 268 279

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,335	5,335
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(205)	(205)
(c) advertising and marketing	(166)	(166)
(d) leased assets	-	-
(e) staff costs	(561)	(561)
(f) administration and corporate costs	(502)	(502)
1.3 Dividends received (see note 3)		
1.4 Interest received	19	19
1.5 Interest and other costs of finance paid	(2,445)	(2,445)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Net cash from commercial lending	3,922	3,922
1.9 Proceeds from sale of trailbook	-	-
1.10 Other (provide details if material)	23	23
1.11 Net cash from / (used in) operating activities	5,420	5,420
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(948)	(948)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	12	12
(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 (provide details if material)	57	57
2.6 Net cash from / (used in) investing activities	(880)	(880)

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	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	7,019	7,019
4.2 Net cash from / (used in) operating activities (item 1.11 above)	5,420	5,420

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(880)	(880)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,559	11,559

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	11,565	7,024
5.2	Call deposits		
5.3	Bank overdrafts	(6)	(5)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,559	7,019

6. Payments to related parties of the entity and their associates

- | | Current quarter
\$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 233 |
| 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	580	580
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	580	580

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.

Facility 1 Limit: \$380,000 (Unsecured)
Lender: Tin Family Super Fund
Interest rate: 8% pa
Maturity date: 31 October 2023

Facility 2 Limit: \$200,000 (Unsecured)
Lender: Li Meng
Interest rate: 7% pa
Maturity date: 30 September 2023

No additional facility after quarter end.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.11)	5,420
8.2 Cash and cash equivalents at quarter end (item 4.6)	11,559
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	11,559
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

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:

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:

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:

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.

30 October 2023

Date:



Authorised by:
Ren Hor Wong (CEO)

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.