

ASX Release (ASX Code: LHM)

31 December 2023

QUARTERLY ACTIVITIES REPORT – 31 DECEMBER 2023 QUARTER

BARRY PARADE PROJECT

The Barry Parade project is well placed in terms of its location and its product offering and is being positioned predominantly for the national and local market to meet the anticipated demand. The long-term economic forecast for Brisbane and SE Queensland is generally positive with established strong population inflow and projected housing stock shortages.

Nevertheless, the cost of new production impact has meant that significant product pricing adjustments will be required and this will take a period for the market to absorb. Encouragingly, the medium price for apartments and housing in Brisbane has increased substantially over the past year and is expected to continue the trend as housing stock shortage becomes more acute.

On the other hand, in view of the material increase in construction costs with no clear indication when they will materially reduce, the Company has also started to re-evaluate all options in relation to the project in this quarter.

The Company continues to reduce costs where it can however a high level of fixed costs are incurred on a month to month basis, largely finance costs. Initial modelling for the project anticipated that construction would have commenced some time ago therefore the Company has been burdened with the ongoing holding costs.

On the back of the prevailing economic climate the Company secured a further extension to the Term Loan Facility with United Overseas Bank. The extension was granted together with an increase in the total facility to \$18mil, a \$1.8mil increase on the previous facility.

The increases facility will be used for existing working capital including the servicing of loan interest.

The variable interest rate of the facility is the base rate (90-day Australian Bank Bill Swap Reference rate plus 2% per annum) and has an expiry date of 30 November 2024.

The Company anticipates making a decision on the future of the project in the current quarter and will provide further updates as they develop.

PROJECT EXPENDITURE

Project expenditure incurred during the quarter ended 31 December 2023 on the groups' project is set out below:

Project Amount Incurred

1. Barry Parade	\$24,851
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PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES

Payments to related parties in the amount of \$1,151 were paid during the quarter ended 31 December 2023, with the following breakdown:

1. Reimbursement of arms length transactions \$1,151

Approved and authorised for release by the Board of Directors.

For further details contact: info@landnhomesgroup.com

Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of Entity

LAND & HOMES GROUP LIMITED

ABN

33 090 865 357

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	20	40
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(8)	(60)
(f) administration and corporate costs	(7)	(56)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	7
1.5 Interest and other costs of finance paid	(182)	(361)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (development costs)	(25)	(141)
1.9 Net cash from/(used in) operating activities	(197)	(571)

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

	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(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 (provide details if material)	-	-
2.6 Net cash from/(used in) investing activities	-	-

	Current quarter \$A'000	Year to date (6 months) \$A'000
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	329	409
3.6 Repayment of borrowings	-	(85)
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	329	324

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

	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase/(decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	480	859
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(197)	(571)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from /(used in) financing activities (item 3.10 above)	329	324
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	612	612

	Current quarter \$A'000	Previous Quarter \$A'000
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		
5.1 Bank balances	612	480
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	612	480

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

Current quarter \$A'000
1
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7. Financing Facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	18,800	17,329
7.2 Credit standby arrangements	329	409
7.3 Other (please specify)	12,722	12,722
7.4 Total financing facilities	31,851	30,460

7.5 Unused financing facilities available at quarter end 1,391

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.

<p><u>Loan Facilities:</u> United Overseas Bank continues to provide a loan of \$18,800,000 for the Barry Parade Property. The loan is subjected to an interest rate of 6.4100% per annum. The loan is secured by way of first legal mortgage over the property.</p> <p><u>Other Facilities:</u> Working Capital Unsecured Loan, from Khosland Management Pte Ltd (a related party) Amount \$2.00m. The loan is repayable at call. However, undertakings have been given that the lender will endeavour to support the Company to the extent necessary to ensure that the Company will be able to continue to fund ongoing operations and meet its liabilities as and when they fall due. The loan is subjected to an interest rate of 7% per annum.</p> <p><u>Convertible Notes</u> The Convertible Notes are unsecured and repayable in 60 months from the date of issue or 9 months from the date of issue if shareholder approval is not obtained to the convertibility of the Notes within three months of the date of issue. To date, the Company has not obtained shareholder approval as contemplated by the terms of the Notes and accordingly, some of the Notes have become repayable. However, the relevant Noteholders have not sought repayment to date. The \$9,787,594 worth of Class A Notes bear interest of 9.0%, with the interest repayable quarterly. The \$836,038 worth of Class B Notes bear interest of 13.8%, with the interest repayable with the capital at the end of the Note term.</p>
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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(197)
8.2 Cash and cash equivalents at quarter end (item 4.6)	612
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,391
8.4 Total available funding (Item 8.2 + Item 8.3)	2,003
8.5 Estimated quarters of funding available (Item 8.4 dividend by Item 8.1)	10.17

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

8.8.1 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?

N/A

8.8.2 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?

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis ?

N/A

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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: 31 January 2024

Authorised by: The Audit Committee
(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 risk management and internal control which is operating effectively.