

31 October 2018

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The Manager
Market Announcements Platform
Australian Securities Exchange Limited

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Company Report (Appendix 4C)

Enclosed is the Quarterly Report (Appendix 4C) for the 3 months ended 30 September 2018.

At 30 September 2018 the Company's cash balance was \$163,000 in funds with bank overdrafts undrawn. Total finance facilities available to the Company amount to \$3,500,000, inclusive of bank overdrafts of \$740,000 and term loan facilities of \$2,760,000.

The total cash balance decreased by a net \$366,000 during the quarter.

Operating cash outflow was a net \$777,000 during the quarter, reflecting fluctuations in monthly trading activities and the timing of customer orders and payments. The Company is anticipating substantial revenue receipts to offset the next quarters operating and staff costs.

Investment activities amounted to a net cash outflow of \$496,000 over the quarter for continuing capitalized new product developments.

During the quarter \$907,000 was drawn from the term loan finance facility.

Yours faithfully



Michael Capocchi
Managing Director

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

World Reach Limited

ABN

39 010 568 804

Quarter ended ("current quarter")

30 September 2018

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 (including deposits)	3856	3856
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3447)	(3447)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(1021)	(1021)
(f) administration and corporate costs		
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(18)	(18)
1.6 Income taxes paid	(2)	(2)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material) - Rent/GST	(146)	(146)
1.9 Net cash from / (used in) operating activities	(777)	(777)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(7)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets – product dev. capitalised	(489)	(489)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (details if material) – R&D grant	-	-
2.6 Net cash from / (used in) investing activities	(496)	(496)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares - placement	-	-
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	907	907
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	907	907

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	529	529
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(777)	(777)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(496)	(496)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	907	907

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	163	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	163	529
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)	163	529

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

153

CEO remuneration and Non-Executive Directors' fees

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

- 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

**Current quarter
\$A'000**

1641

Payments for subcontract manufactured products and related activities on an arm's length basis

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	740	-
8.2 Credit standby arrangements		
8.3 Other (please specify) – Secured term loan	2760	907
8.4 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.		


AUD overdraft \$300,000 and USD overdraft US\$320,000 (=A\$440,000) with National Australia Bank secured by fixed & floating charge. Arrangements, including a priority deed with NAB, were completed on 15 November 2016 for a secured term loan from shareholder SGV1 Holdings Limited of US\$2,000,000 (=A\$2,760,000) on the terms described in the ASX announcement on 19 October 2016. The term loan can be drawn as required.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(410)
9.2 Product manufacturing and operating costs	(2913)
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(1050)
9.6 Administration and corporate costs	
9.7 Other (provide details if material)	(110)
9.8 Total estimated cash outflows	(4483)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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: 31 October 2018

Print name: Dennis Payne

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.