

# ASX Announcement



Field Solutions Holdings Limited (ASX: FSG)  
ASX Limited  
Company Announcements Office

30 April 2020

## 4C – Qtr 3 ended 31 March 2020 and Business Update

Field Solutions Holdings (ASX: FSG), Australia's leading rural, regional and remote telecommunications carrier is pleased to announce another quarter of positive EBITDA and positive operating cash flow for the quarter ended 31 March 2020:

- Customer receipts of \$2.3m (down 22% due to the impact of COVID-19 on the timing of projects)
- Positive operating cash flow of \$0.5m for the quarter (up 30%)
- Investment in our regional network for the quarter of \$0.5m
- For the quarter ending 30 June 2020 FSG anticipates cash outflows (before any cash receipts) of \$2.2m and revenues over of \$2.3m. Revenues will be impacted by the timing of commencement of the delayed Queensland Building our Regions projects
- COVID-19 has caused delays in projects, with an expected impact over the next 3 -6 months

FSG's network expansion continues in Southern and Central QLD and Northern NSW, key highlights:

- FSG awarded a \$0.4m CCTV project on its symmetric wireless network in the township of Cunnamulla QLD
- Delivery focus placed on connecting users to existing rural networks across NSW and QLD to meet demand

General business highlights:

- The implementation of COVID-19 remote working and construction work practices was implemented during Q3
- Supply chain issues, due to COVID-19, have delayed the rollout of several large network construction projects. At this stage, we anticipate a 3-6 month delay to large network build projects across Southern Queensland. Expenditure is being managed in accordance with project delays

Despite supply chain delays, FSG's construction and implementation pipeline has grown considerably, with 12 months of contracted construction backlog. FSG is well placed to manage the economic impact associated with COVID-19.

FSG is awaiting the finalisation of several grants, which all are expected to be announced during June 2020.

This announcement has been authorised for release by the Board of FSG.

### About FSG

FSG provides, builds and operates "true broadband networks" specifically for rural, regional and remote Australia. FSG is a licensed Australian telecommunications carrier, providing services via its own telecommunications network (trading under the brands 'JustISP' and 'Ant Communications') and a NBNco Retail Service Provider.

### FSG Contact Details

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Field Solutions Holdings Ltd ASX:FSG

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## Appendix 4C

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

**Name of entity**

Field Solutions Holdings Limited

**ABN**

92 111 460 121

**Quarter ended ("current quarter")**

31 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,272	7,579
1.2 Payments for		
(a) research and development	(129)	(344)
(b) product manufacturing and operating costs	(1,195)	(3,788)
(c) advertising and marketing	(14)	(29)
(d) leased assets	(14)	(38)
(e) staff costs	(578)	(1,773)
(f) administration and corporate costs	(172)	(592)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	373	373
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>543</b>	<b>1,388</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(538)	(1,286)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(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	<b>Net cash from / (used in) investing activities</b>	<b>(538)</b>	<b>(1,286)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	350	350
3.6	Repayment of borrowings	(4)	(28)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>	<b>346</b>	<b>322</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	440	367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	543	1,388
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(538)	(1,286)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	346	322
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>791</b>	<b>791</b>

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	791	440
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>791</b>	<b>440</b>

**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**

117

Nil

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

\$A'000

6.1 Employee benefits including Directors fees \$117

6.2 N/A

**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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
1,880	1,880
1,880	1,880

**7.5 Unused financing facilities available at quarter end**

Nil

- 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.

Moula Loan Facility, 1% per fortnight interest rate (effective 14% interest rate), 24 months term, unsecured, personally guaranteed by Wendy Tyberek and Andrew Roberts.

Directors loan via way of controlled entity. Interest payable at benchmark interest rate, no fixed repayment date on the borrowings.

Convertible Note Kestrel Growth Companies 1.25m Notes at \$1.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	543
8.2 Cash and cash equivalents at quarter end (Item 4.6)	791
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	791
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	1.46

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

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 – positive Net cash from / (used in) operating activities (Item 1.9) and expected ongoing

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 – positive Net cash from / (used in) operating activities (Item 1.9) and expected ongoing

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 – positive Net cash from / (used in) operating activities (Item 1.9) and expected ongoing

### 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: April 30 2020  
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Authorised by: By the board of Field Solutions Holdings Limited  
.....  
(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.