

ASX Announcement



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

30 July 2020

4C – Qtr 4 ended 30 June 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 cashflow for the quarter ended 30 June 2020:

- Customer receipts of \$2.8m (up 22%, with COVID impacted projects recommencing).
- Positive operating cashflow of \$0.7m for the quarter (up 21%).
- Investment in regional network for the quarter of \$0.6m.
- FSG anticipates positive operating cashflow for the quarter ending 30 September 2020, including expected cash outflows (before cash receipts) of \$2.3m and revenues over \$2.4m. Delayed Queensland Building our Regions projects are impacting revenue timing.

COVID-19 has caused a delay in the schedule of projects, with FSG progressing all QLD Government projects. Construction is scheduled to commence in H1 2020.

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

- FSG completed Phase 1 of the Blackall-Tambo Shire wide coverage project.
- FSG commenced Phase 1 of the Balonne Shire network expansion.

General business highlights:

- Delivery of government projects has continued and is expected to result in project extensions being approved in H1 FY21.
- FSG introduced NBN based wholesale products and services across its core and regional networks with the first of Central Telco Services being brought online (initial stage of the 3-year contract previously announced).
- FSG has commenced trials of the NBN's Business Satellite Service (Enterprise Product) with both the NSW and QLD government agencies.

Despite the impact of COVID-19, FSG has managed expenditure and project delays, ensuring continuity of contracted revenue. Supply chain and customer operation restrictions have shifted project timelines from FY20 to FY21.

During the COVID-19 restriction period FSG has maintained project activity and workforce engagement.

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")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		2,806	10,384
1.2 Payments for			
(a) research and development		(139)	(483)
(b) product manufacturing and operating costs		(1,372)	(5,159)
(c) advertising and marketing		(13)	(42)
(d) leased assets		(24)	(62)
(e) staff costs		(549)	(2,322)
(f) administration and corporate costs		(184)	(776)
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
1.7 Government grants and tax incentives		135	135
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		660	2,048
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) businesses			
(c) property, plant and equipment		(616)	(1,902)
(d) investments			
(e) intellectual property			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	(f) other non-current assets 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	(616)	(1,902)

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		350
3.6	Repayment of borrowings	(402)	(430)
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	(402)	(80)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	791	367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	660	2,048
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(616)	(1,902)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(402)	(80)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	433	433

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	433	791
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)	433	791

**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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	600	230
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	600	230

7.5 **Unused financing facilities available at quarter end** 370

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	660
8.2 Cash and cash equivalents at quarter end (Item 4.6)	433
8.3 Unused finance facilities available at quarter end (Item 7.5)	370
8.4 Total available funding (Item 8.2 + Item 8.3)	803
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	n/a

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:

Authorised by:
(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.