

Eco Systems Ltd

ASX Announcement

31 July 2020

Eco Systems Ltd

ACN 132 204 561
ABN 68 132 204 561

Level 4
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South Melbourne Vic 3205

Contact:

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Board of Directors:

Mr Matthew Driscoll, Non- Exec Director
Dr Paul Kasian, Non-Exec Director
Mr Damian Arena, Non-Exec Director

Company Secretary:

Melanie Leydin

Shares on Issue:

67,508,545 ordinary shares

Website:

www.bmpcorp.com.au

QUARTERLY REPORT – JUNE 2020

Melbourne, Australia, 31 July 2020: Eco Systems Limited, (ASX: ESL) (“Eco Systems” or “the Company”) presents details of its activities for the quarter ending 30 June 2020.

The Company is in the final stages of completing a potential recapitalisation exercise and will provide an update to the market in due course, as required. The Directors continue to pursue potential strategic opportunities to maximise shareholder value.

The Company continues working through the process of winding down the MyPlace Conveyancing (“MPC”) operations and will provide an update in due course.

Convertible Note

On 18 June 2020, the Company announced that it had entered into a Convertible Note with a Melbourne based Multi-Family Office providing a facility of \$100,000. This facility is in addition to the \$350,000 facility announced on 7 October 2019. The additional facility provides working capital to further assess and pursue specific acquisition opportunities and general working capital.

The key terms of the Convertible Note are:

- Facility Limit of \$100,000
- Immediate drawdown of \$100,000
- Repayment date of 18 June 2022; and
- Interest rate of 10% per annum

Corporate

During the quarter, the Company had net operating cash outflows of \$114k and held \$19k in cash and cash equivalents as at 30 June 2020.

There were no payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 4C to this quarterly activities report.

-Ends-

This announcement is authorised for release by the Board of Directors of Eco Systems Ltd.

For more information, please contact:

Matthew Driscoll
Non-Executive Director
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Appendix 4C

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

Name of entity

Eco Systems Limited (formerly buyMyplace.com.au Limited)

ABN

68 132 204 561

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	-	9
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	(2)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(114)	(406)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(114)	(401)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	(97)
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	-	(97)

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	100	450
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(5)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(43)
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	95	402

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	38	115
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(114)	(401)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(97)

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)	95	402
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	19	19

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	19	38
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)	19	38

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
-
-

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

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	
7.2	Credit standby arrangements	
7.3	Other (please specify)	477
7.4	Total financing facilities	477

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.

A convertible note facility was issued on 18 June 2020 for \$100,000 to a Melbourne based Multi-Family Office. The terms of the note include a repayment date of 18 June 2022, an interest rate 10% per annum which is payable in cash or to be capitalised.

A convertible note facility was issued on 7 October 2019 for \$350,000 to a Melbourne based Multi-Family Office. The terms of the note include a repayment date of 26 September 2021, an interest rate 10% per annum which is payable in cash or to be capitalised.

The value provided in 7.3 includes the Convertible Note face value and interest accrued.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(114)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	19
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	19
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0

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: No, the majority of payments made in the current quarter were associated with non-recurring restructuring activity, however the Company does expect that it will continue to have negative operating cash flows for the time being.

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: Yes, a potential recapitalisation exercise is in the final stages of completion and has a high likelihood of success. All existing creditors are apprised of the situation and remain supportive through the process.

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: The current operations of the company have concluded and the potential recapitalisation will be associated with a new operational model.

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 July 2020.....

Authorised by: The Board.....
(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.