

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

DXN Limited

ABN

46 620 888 548

Quarter ended ("current quarter")

30 June 2019

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	554	2,671
1.2 Payments for		
(a) research and development	(22)	(160)
(b) product manufacturing and operating costs	(243)	(1,797)
(c) advertising and marketing	(38)	(144)
(d) property leased assets	(640)	(2,521)
(e) staff costs	(1,190)	(4,270)
(f) administration and corporate costs	(359)	(1,556)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	113
1.5 Interest and other costs of finance paid	(42)	(71)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	18	1,241
1.8 Other	12	(17)
1.9 Net cash from / (used in) operating activities	(1,939)	(6,511)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3,052)	(10,739)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 12 months) \$A'000
	(d) intellectual property	(8)	(12)
	(e) other non-current assets	-	-
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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,060)	(10,751)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	8,300	10,310
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from issue of performance right	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(597)	(692)
3.5	Finance facility drawdown	119	3,448
3.6	Repayment of finance facilities	(225)	(490)
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	7,597	12,576
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	4,764	12,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,939)	(6,511)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,060)	(10,751)

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)	7,597	12,576
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	7,362	7,362

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	248	610
5.2	Call deposits	5,114	2,154
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit)	2,000	2,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,362	4,764

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	84
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	

Includes director's fee, salaries & superannuation for executive and non-executive directors.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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	5,200	2,923
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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.		

A \$5 million secured Chattel Finance Facility (revolving) with ANZ Bank to finance generators, chillers and battery/power supply equipment. The interest rate is currently 4.83% pa.

A \$200,000 secured Chattel Finance Facility with the ANZ Bank to finance various vehicles. The interest rate is currently 4.83% pa.

Security

- Specific Commercial Agreement (Fixed Charge) – Cash Deposits with ANZ of \$2m given by the Company; and
- General Security Agreement (Fixed & Floating Charge) over the assets of the Company.

Conditions & Covenants

- Provision of semi-annual Financial Statements within 30 days of the end of each financial half year;
- The Adjusted Gearing Ratio for each financial half year of the Company will **not** be greater than 1:1.
- Adjusted Gearing Ratio is calculated as (Total Liabilities - Non-Current Subordinated Debt) divided by (Tangible Net Worth + Non-Current Subordinated Debt)

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	20
9.2 Product manufacturing and operating costs	1,300*
9.3 Advertising and marketing	30
9.4 Leased property	600
9.5 Staff costs	1,050
9.6 Administration and corporate costs	300
9.7 Other (Data Centre Construction)	1,900**
9.8 Total estimated cash outflows	5,200

* Relates to direct manufacturing costs for the Radlink, Niue & Cook Island's contracts.

** Relates to completion of the first 1 MW of core supporting infrastructure to support the 400kW of "ready for service" rack space currently at the Homebush datacentre (DXN-SYD01).

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:

Company secretary

Date: 30 July 2019

Print name: George Lazarou

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.