

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

FE Investments Group Limited

ABN

72 107 745 095

Quarter ended ("current quarter")

30 June 2019

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	1,669	1,669
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(26)	(26)
(d) leased assets		
(e) staff costs	(405)	(405)
(f) administration and corporate costs	(1,612)	(1,612)
1.3 Dividends received (see note 3)		
1.4 Interest received	855	855
1.5 Interest and other costs of finance paid	(1,373)	(1,373)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	765	765
1.9 Net cash from / (used in) operating activities	(127)	(127)

*Refer to additional notes on Page 5

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(24)	(24)
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(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	(24)	(24)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
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		
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)	167	167
3.10	Net cash from / (used in) financing activities	167	167

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	12,855	12,855
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(127)	(127)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(24)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	167	167
4.5	Effect of movement in exchange rates on cash held	(17)	(17)
4.6	Cash and cash equivalents at end of quarter	12,854	12,854

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	12,854	12,855
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)	12,854	12,855

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	279
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	
FEIG and FEI Director fees and salaries (inclusive of founder final payments on cessation of employment contracts).		

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		
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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	(50)
9.4 Leased assets	
9.5 Staff costs	(550)
9.6 Administration and corporate costs	(765)
9.7 Other (provide details if material)	(250)
9.8 Total estimated cash outflows	(1,615)

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:

Date: 31 July 2019



Marcus Ritchie
Group Chief Executive Officer

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.

Explanatory notes to Appendix 4C

- FE Investments Limited ("FEI") is a Non-Bank Deposit Taker in New Zealand with its deposit taking licence issued by Reserve Bank of New Zealand. Under its accounting policy, FEI's operating cashflow includes deposits accepted from the New Zealand public, loans made to borrowers, interest earned on loans and interest paid to depositors.
- FEI is a wholly owned subsidiary of FE Investments Group Limited. More information about FEI and its operations can be obtained at www.fei.co.nz
- Item 1.1 represented income earned on finance leasing. interest earned on loans is shown at Item 1.4. The companies' earnings also include capitalised revenue which is *not* shown in the 4C as it is a non-cash item.

- Item 1.5 represented the interest paid for the deposits held, this interest expense item is in line with deposit growth.
- Item 1.8 represents the net cash movements arising from deposits accepted and loans made by FEI during the quarter shown above. During the June quarter, FEI raised approximately A\$16.3m (including reinvestments) in deposits which is in line with lending growth.
- Item 5.5 the closing cash balance as at 30th June 2019.
- Items 9 the Cash outflows for the next quarter explained below:
 - 9.3 – Relates to both Australian and New Zealand advertising for loans and deposits for the next quarter.
 - 9.5 – staff costs include both countries payroll, with expected staff movement and management restructure in place.
 - 9.6 – includes the Accounts Payable on the loan book as at 30th June 2019 plus additional expected administrative and corporate costs for the upcoming quarter – some of which will be one-off expenses.
 - 9.7 – relates to the expected cash outflow for further business development in Australia, which can include capital expenses e.g. technology upgrades, website upgrades, new equipment etc.
- The Company has used an exchange rate of AUD\$1.00 to NZD\$1.0459 as at 30th June 2019 in relation to the cash amounts held by FEI as at 30th June 2019.