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26 October 2020

Quarterly activity report (for the period of 1 July 2020 to 30 September 2020)

N1 Holdings Limited (ASX: **N1H** or the "**Company**") is pleased to announce September quarter cash receipts from customers, which has set a new record in quarterly revenue, profitability and cash receipts from customers since the Company's IPO in 2016.

A highlight of the quarter and financial year's cash flow performance

- Cash receipts from customers were $1,436,000 for the quarter, representing an improvement of 43% from same quarter in the last financial year (which was $1,005,000).
- The Company's SME lending business (including management fees derived from One Lending Fund through N1 Asset Management) continued to be the major revenue generator of the company, accounting for 72.87% of the total cash receipts from customers in the quarter. Total Cash Receipts from Customers via the SME Lending business was $1,028,279 for the September 2020 quarter (September 2019 quarter: $621,654), an increase of 65.41% from the same period in the previous financial year.
- N1 Realty revenue represents 7.35% of the cash receipts from Customers in this quarter.
- No increase in Operating Expense (OPEX) with substantial revenue growth.

Company Business activities

The Company achieved revenue of $1,378,473 (unaudited) for the quarter. This is an improvement of 74% from the same quarter last financial year which was $790,424.

Among total revenues, the Company's mortgage broking business contributed $266,005 (net of provision for clawbacks and amortisation) for the quarter, which is a 41% increase from the same quarter in the last financial year of $188,620.

Net Profit for the quarter was $107,880 (unaudited), with EBITDA of $251,216 (unaudited) for the quarter.

One Lending Fund revenue was $731,886 (unaudited) for the quarter, which is not to be consolidated into the Company balance sheet (as this is a separate SME lending fund managed by N1 Asset Management).

The Company currently has committed SME lending capital in excess of $25m, comprised of $16.29 million of capital committed to the One Lending Fund and $9.25 million of capital from the Company's balance sheet.

The Company continues to raise funds for SME lending purposes, including One Lending Fund.

There are no other substantive business activities during the quarter other than all previously announced.

Payments to related parties of the entity and their associates

- Salary and super to executive directors of $147,531; and
- Services provided by director related entities of $27,610. Costs are determined on an arm's length basis.

Authorised for release by the Chairman.

For more information, please contact:

Ren Hor Wong
Chairman & Chief Executive Officer
renwong@n1holdings.com.au

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About N1 Holdings Limited (ASX: N1H)

N1 Holdings provides strategic advice to businesses, project developers and property investors seeking new capital/debt or refinancing existing debt. We assist borrowers through the complex application processes of Australian major banks, private funds, and offshore debt capital providers. With the growth in lending from non-traditional sources, such as alternative banks and non-bank funders and lenders, N1H's domestic and foreign strategic relationships perfectly places it to advise its clients through this changing lending environment and debt market. N1H's core services include business lending, cross-border corporate financing, project funding, fund trustee services and vendor finance solutions.

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Appendix 4C

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

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Name of entity	
N1 Holdings Limited	
ABN	**Quarter ended ("current quarter")**
44 609 268 279	30 September 2020

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	1,436	1,436
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(275)	(275)
	(c) advertising and marketing	(11)	(11)
	(d) leased assets	(4)	(4)
	(e) staff costs	(459)	(459)
	(f) administration and corporate costs	(313)	(313)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(268)	(268)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Net cash from commercial lending	(258)	(258)
1.9	Proceeds from sale of trailbook	-	-
1.10	Other (provide details if material)	249	249
1.11	**Net cash from / (used in) operating activities**	**97**	**97**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(10)	(10)
	(d) investments	(87)	(87)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(e) intellectual property	-	-
	(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)	(17)	(17)
2.6	**Net cash from / (used in) investing activities**	**(114)**	**(114)**

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	-	-
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,781	2,781
4.2	Net cash from / (used in) operating activities (item 1.9 above)	97	97

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(114)	(114)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,764**	**2,764**

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	2,764	2,781
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)**	**2,764**	**2,781**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	175
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

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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	3,518	3,518
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	**3,518**	**3,518**

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.

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Facility 1 Limit: $838,243 (Secured)
Lender: National Australia Bank
Interest rate: 3.80% pa
Facility 2 Limit: $180,000 (Unsecured)
Lender: Tin Family Super Fund
Interest rate: 10% pa
Facility 3 Limit: $200,000 (Unsecured)
Lender: Li Meng
Interest rate: 10% pa
Facility 4 Limit: $200,000 (Unsecured)
Lender: Yongyi Liang
Interest rate: 10% pa
Facility 5: Convertible Notes of $200,000 with face value of $0.20 per Convertible Note
Lender: Yoke Meng Chan
Interest rate: 10% pa
Facility 6: Convertible Notes of $100,000 with face value of $0.20 per Convertible Note
Lender: Ven Tan Pty Ltd Superannuation Fund
Interest rate: 10% pa
Facility 7: Convertible Notes of $70,000 with face value of $0.20 per Convertible Note
Lender: Peng Yeow Yong and Teng Heong Gan
Interest rate: 10% pa
Facility 8: Convertible Notes of $1,000,000 with face value of $0.20 per Convertible Note
Lender: Siew Bee Tong
Interest rate: 10% pa
Facility 9 Limit: $200,000 (Unsecured)
Lender: Rong Chen
Interest rate: 6% pa
Facility 10 Limit: $130,000 (Unsecured)
Lender: HZHH Super Fund
Interest rate: 10% pa
Facility 11 Limit: $100,000 (Unsecured)
Lender: Zhigang Chang
Interest rate: 8% pa
Facility 12 Limit: $100,000 (Unsecured)
Lender: Zhigang Chang
Interest rate: 10% pa
Facility 13 Limit: $200,000 (Unsecured)
Lender: Tin Family Super Fund
Interest rate: 8% pa

No additional facility after quarter end.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.11)	97
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,763
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,763
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**9**
	Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	

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

8.6.1 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:

8.6.2 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:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 26/10/2020 .....

Authorised by: .....
Ren Hor Wong (CEO)

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

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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.

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