

ASX Release (ASX Code: LHM)

30 April 2021

QUARTERLY ACTIVITIES REPORT – 31 MARCH 2021 QUARTER

BARRY PARADE PROJECT

As a result of the impact of Covid-19 on the operations of the Company, there were continuing delays on the project program during the quarter. The Company advanced some design elements of the project.

WHARF STREET PROPERTY

Due to the impact of Covid-19, leasing activity for the company's Wharf Street property has been materially subdued. The Board resolved to proceed with an orderly and advantageous sale process of the Wharf Street Property.

PROJECT EXPENDITURE

Project expenditure incurred during the quarter ended 31 March 2021 on the groups' project is set out below:

Project	Amount Incurred
Barry Parade	\$304,069
Wharf St Property	\$0

PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES

Directors Fees in the amount of \$57,000 were paid during the quarter ended 31 March 2021. In addition a loan in the amount of \$100,000 was repaid to a director of the Company together with interest in the amount of \$5,788.

Approved and Authorised for release by the Executive Committee.

For further details contact: info@landnhomesgroup.com

Appendix 4C

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

Name of entity

Land & Homes Group Limited

ABN

33 090 865 357

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	190	331
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(87)	(260)
(f) administration and corporate costs	(120)	(243)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(368)	(871)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other Inventory - (property held for resale and related capitalisation of development expenses)	(997)	(2,080)
1.9 Net cash from / (used in) operating activities	(1,382)	(3,123)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(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)		
2.6 Net cash from / (used in) investing activities		
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	3,000	4,581
3.6 Repayment of borrowings	(368)	(368)
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	2,632	4,213
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	375	535
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,382)	(3,123)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,632	4,213
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,625	1,625

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	1,625	375
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)	1,625	375

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
163

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	32,960	32,960
7.2 Credit standby arrangements		
7.3 Other (please specify)	11,600	11,600
7.4 Total financing facilities	44,560	44,560

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.

Loan Facilities:

United Overseas Bank continues to provide two loans for an aggregate amount of \$29,960,000 for the Barry Parade and the Wharf Street properties. The loans are subject to an interest margin of 1.5% - 2.0% per annum over and above the relevant period Bank Bill Swap Reference Rate. The loans are secured by way of first legal mortgages over these two properties.

United Overseas Bank provided the company with an additional \$3,000,000 in lending to cover working capital requirements. The loan is subject to an interest margin of 2.0% per annum over and above the relevant period Bank Bill Swap Reference Rate.

Other Facilities:Working Capital Unsecured Loan, from Khosland Management Pte Ltd. (a related party)

Amount \$1,209,233 (\$1m Singapore dollars). The Company has sought to confirm an extension of this loan to 30 June 2021 and it is contemplated that further extensions of the repayment date will be requested.

Convertible Notes

The Convertible Notes are unsecured and repayable in 60 months from the date of issue or 9 months from the date of issue if shareholder approval is not obtained to the convertibility of the Notes within three months of the date of issue. To date the Company has not obtained shareholder approval as contemplated by the terms of the Notes and accordingly some of the Notes have become repayable however the relevant Noteholders have not sought repayment to date.

The \$9,787,594 worth of Class A Notes bear interest of 9.0%, with the interest repayable Quarterly.

The \$595,881 worth of Class B Notes bear interest of 13.8%, with the interest repayable with the capital at the end of the Note term.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,382)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,625
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	1,625
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.18

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: During the previous quarter, \$997k of the net operating cash flow pertained to development/maintenance costs. The Company may elect to defer further development of its properties, thus reducing the operating cash requirements from current levels.

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: The Board has resolved to proceed with an orderly and advantageous sale process of the Wharf Street Property to enable the Company to focus its attention and its financial resources on the future development of the Barry Parade project in the Fortitude Valley.

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: Where appropriate, the Company will reduce its operating costs whilst re-evaluating its development strategy going forward. If the sale process of the Wharf Street property proceeds as contemplated the Company will then focus its attention and its financial resources on re-activating the development of the Barry Parade project in the Fortitude Valley.

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: 30 April 2021

Authorised by: The Audit Committee
(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.