



A.C.N. 098 238 585

ASX Announcement

30 April 2020

31 March 2020 Quarterly Activity Report

Intiger Group Ltd (**ASX:IAM**) (**IAM** or the **Company**) is pleased to provide the following report and attached Appendix 4C to its shareholders for the quarter ending 31 March 2020.

Summary of cash flows and related activity

As at 31 March 2020, Intiger held cash and cash equivalents of \$17,000 compared with a balance of \$208,000 at 31 December 2019. Net cash of \$195,000 was used in operating activities compared with \$181,000 for the quarter ending 31 December 2019.

IAM continues to scale operations to suit the client demand while reducing expenditure where possible. The Company has successfully restructured staff levels to drive future sustainability. The restructure resulted in retrenchment payments which are not recurring. With reduced staff, there was a reduction in sales but an increase in operating margin.

Sales and operating costs are at maintainable levels delivering monthly operating surpluses. New sales generation is the focus for the Company in the next quarter.

There were no other substantive business activities during the quarter.

Payments to related parties of the entity and their associates

As part of the cost control measures implemented by the Company, directors were not paid any director fees during the quarter and there were no other payments made to related parties of the entity or their associates. These costs are accrued by the Company. This fact is reflected in item 6 of the attached Appendix 4C cash flow report for the quarter.

This report and the attached Appendix 4C have been authorised for release by the Board of Intiger Group Limited.

- ENDS -

For further information, please contact:

INVESTORS

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Appendix 4C

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

Name of entity

INTIGER GROUP LIMITED (ASX:IAM)
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ABN

71 098 238 585

Quarter ended (Current quarter)

31 March 2020

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	31	156
1.2 Payments for:		
(a) research and development	-	-
(b) product manufacturing and operating costs	(40)	(261)
(c) advertising and marketing	(2)	(33)
(d) (leased assets)	-	-
(e) staff costs	(28)	(289)
(f) administration and corporate costs	(156)	(488)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes (paid) / refunded	-	69
1.7 Government grants and tax incentives	-	-
1.8 Other: (provide details if material): Back pay of managing director fees	-	(33)
1.9 Net cash from / (used in) operating activities	(195)	(881)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	28
(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)	-	-
2.6 Net cash from / (used in) investing activities	-	28

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 Months) \$A'000
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	-	200
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	-	200
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	208	666
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(195)	(881)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	28
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	200
4.5 Effect of movement in exchange rates on cash held	4	4
4.6 Cash and cash equivalents at end of period	17	17
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	187
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details): Term deposit for credit card facility	5	21
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17	208
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	-	
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 and 6.2 your quarterly activity report must include a description of, and an explanation for, such payments		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

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.

8. Estimated cash available for future operating activities

8.1 **Net cash from / (used in) operating activities** (Item 1.9)

\$A'000

(195)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

17

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

17

8.5 **Estimated quarters of funding available** (Item 8.4 divided by Item 8.1)

0.1

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 Company has reduced administration and corporate costs and made further reductions in staffing costs over the past month. The net cash used in operating activities in 1.9 above is not fully reflective of these changes. The Company is now generating surplus funds each month and net operating cash flows have improved and it is expected that this will continue.

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. The Company announced that it had secured Convertible Note Funding for an amount up to \$500,000 (see ASX announcements on the 16th and 27th of December 2019). At a general meeting held on 18 February 2020, shareholders approved the conversion of the previously issued Notes and the issue of subsequent Notes. As at the date of this report \$300,000 of the Convertible Notes is still subject to the receipt of further drawdown notices from the Subscriber.

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:

Yes. As outlined in the answers to questions 1 & 2 of 8.6 above, the Company's restructuring efforts are now generating surplus funds and the availability of the Convertible Note Funding leads the Board to believe it is able to continue its operations and meet its business objectives.

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: Thursday, 30 April 2020

Authorised by: 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 – e.g. 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.