

31 July 2019

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2019

Highlights

- Cash and Listed Equities of \$5.67M
- Successfully completed the sale of LINCD
- SQID's IPO preparation progressing well and expect Canadian listing in October
- Completed pre-IPO investment in Helbiz. Expect listing on NASDAQ in October
- Restructure of crypto division progressing well

BUSINESS AND TRADING UPDATE

First Growth Funds Limited ("FGF" or "the Company") provides the following update on the Company's activities during the quarter ended 30 June 2019. FGF is a diversified investment company with a portfolio across multiple asset classes.

The table below shows the breakdown of each asset class based on our unaudited balance sheet:

Asset Class	Amount	%
Cash	\$2.26M	22%
Listed Equities*	\$3.41M	34%
Unlisted Equities	\$2.02M	20%
Unlisted Equities (Blockchain)	\$1.26M	12%
Digital Currency	\$1.26M	12%
Total	\$10.21M	100%

* Includes loans and convertible notes to listed entities.

Unlisted Equities

Below is a summary of FGF's unlisted equities. We are expecting two IPOs in October that may create significant value for FGF shareholders.

Investment	Investment Amount	Status	Comments
SQID Payments	\$1,000,054	IPO	<p>During the quarter, FGF completed the tranche 2 investment of \$500,000 in SQID. Based on the current proposed initial market capitalization and upon completion of the expected listing in October, FGF expects the value of its shareholding at listing to be approximately AUD\$3.2M. The IPO preparation is progressing well with work underway for the prospectus.</p> <p>Operationally, SQID continues to perform well closing the quarter with 21% EBITDA margin and with \$3.2M Cash at Bank, and no external debt.</p>
Helbiz	\$217,694	IPO	IPO on NASDAQ in October
Australian Nutrition & Sports Ltd	\$200,000	Loan	Loan expected to repaid with interest next quarter

Cloud Lumen	\$600,000	Negotiation	In discussions with the Company for a corporate event
LINCD	\$900	Sold	LINCD successful sale to Harris Technology (ASX:HT8) completed on 24 May 2019. FGF received 30,000,000 HT8 shares plus performance based options as part of the sale proceeds.

Cryptocurrency & Unlisted Equity Blockchain:

During the quarter, FGF made no investments in cryptocurrencies and one investment of US\$150,000 in Globex, an unlisted equity blockchain company. Globex is a software company providing a platform for fully regulated and compliant security tokens. The platform is not designed or used for trading utility tokens and unregulated cryptocurrencies.

FGF is undertaking a restructure of its investments in cryptocurrency and unlisted equity (blockchain). FGF plans to focus on more established investment opportunities in the cryptocurrency market and has implemented the following changes:

- Returned its ACU tokens back to Acudeen;
- Terminated Alliance Agreement with Blockshine Japan Corporation;
- Terminated MOU with Blockchain Global and HCash Tech Pty Ltd;
- Received 50% refund for Proton with the balance expected to be paid in October;
- Received 100% refund from Bankorus;
- Terminated Token Facilitation Agreement with YPB, Blockchain Global and DigitalX;
- FGF has determined not to enter into any further agreements similar to the Token Facilitation Agreement signed with Acudeen and YPB;
- FGF is in discussions with CDV to restructure the token agreement;
- FGF is in discussions with DigitalX and Blockchain Global regarding its investment in FutureICO;
- FGF is seeking a refund from Global Guard and EQI; and
- Human Protocol (hcaptcha) project is performing well and are planning to list their token on a major exchange this year. FGF will seek to sell its tokens as soon as possible, once listed.

FGF previously made investments in Proton and Bankorus with Ethereum tokens. The refunds have been made with Ethereum and FGF will continue to hold until prices improve.

FGF will be making further announcements regarding its strategy on Cryptocurrencies, Unlisted Equity in Blockchain and First Growth Advisory in due course.

Capital Structure:

Blockchain Global Limited has signed a letter to waive its rights in respect of the issue of 60 Million Milestone Shares. As such, FGF will not issue any of the milestone shares to Blockchain Global Limited (or its nominee) regardless of whether the milestones are met in the future.

Update on ASX Suspension:

On 21 June 2019, FGF announced that the Company will be taking steps to convene a meeting in order to seek shareholder approval as required by Listing Rule 11.1.2 in consultation with ASX. A proposal has been sent to the ASX for their review and consideration on FGF's business and strategy going forward.

In the meantime the Company has been proactively addressing ASX concerns and has materially reduced its involvement in cryptocurrencies and will not provide any advisory services to this sector. The Board thanks all shareholders for their loyalty and ongoing support and will continue working with the ASX in order to have the Company's securities reinstated to quotation as quickly as possible.

+Rule 4.7B

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

First Growth Fund Limited	
ABN	Quarter ended ("current quarter")
34 006 648 835	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	0	100
1.2	Payments for:		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	0	0
	(c) advertising and marketing	(1)	(100)
	(d) leased assets	0	0
	(e) staff costs	(167)	(441)
	(f) administration and corporate costs	(163)	(841)
1.3	Dividends received (see note 3)	0	18
1.4	Interest received	22	91
1.5	Interest and other costs of finance paid	0	(1)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	0	0
1.8	Other - proceeds from trading	1,111	8,441
	Other - trading payments	(1,324)	(11,220)
1.9	Net cash from / (used in) operating activities	(522)	(3,953)

2		Current quarter \$A'000	Year to date (12 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	(1)
	(c) investments	(217)	(1,923)
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.2	Proceeds from disposal of:	0	0
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	0
	(c) investments	0	312
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	(200)
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	(217)	(1,812)

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3	Cash flows from financing activities	Current quarter \$A'000	Year to date (12 months) \$A'000
3.1	Proceeds from issues of shares	0	0
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	0	0
3.4	Transaction costs related to issues of shares, convertible notes or options	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	0	0

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	3,003	8,025
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(522)	(3,953)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(217)	(1,812)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	1	5
4.6	Cash and cash equivalents at end of quarter	2,265	2,265

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	2,265	3,003
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,265	3,003

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	139
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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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	0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8	Financing facilities available	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	0	0
8.2	Credit standby arrangements	0	0
8.3	Other (please specify)	0	0
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	
9.4	Leased assets	
9.5	Staff costs	(120)
9.6	Administration and corporate costs	(200)
9.7	Other - trading payments	
9.8	Total estimated cash outflows	(320)

10	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	n/a	n/a
10.2	Place of incorporation or registration	n/a	n/a
10.3	Consideration for acquisition or disposal	n/a	n/a
10.4	Total net assets	n/a	n/a
10.5	Nature of business	n/a	n/a

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: 
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Company secretary

Date: 31 July 2019

Print name: Julie Edwards

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.

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