

31 October 2019

September 2019 Quarterly Activities Report and Appendix 4C

Quarterly Activities and Cash Flow

Chant West Holdings Limited (CWL or the Group) is pleased to announce its September 2019 Quarterly Activities Report:

- The cash balance for the group at the end of the quarter was \$3.3m. This an increase of \$1.1m when compared to the cash balance at 30 September 2018 of \$2.2m.
- Receipts from customers for the September 2019 quarter grew 12% to \$2.3m, when compared to September 2018 quarter of \$2m.
- The Group and both the Chant West and Enzumo businesses delivered a positive EBITDA for the September 2019 quarter.
- The Group reported an operating cash outflow of \$0.2m which the company anticipated. The timing of the payment of various expenses contributed to this, including client reimbursements paid in the September 2019 quarter and recouped in the December 2019 quarter.
- CWL is continuing to invest in the development of new products, with cash outflows from investing activities for the quarter of \$0.2m, as shown in the Appendix 4C.
- Companies lodging an Appendix 4C are required to provide an estimate of cash outflows for the following quarter (December 2019 quarter in this case). The Group is expecting cash outflows (before any cash receipts) of \$2.2m in the December 2019 quarter.

Chant West Holdings Limited

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Other Business

In 2018 CWL announced a change of strategic focus in response to the rapid pace of digitalisation transforming the financial services sector. Our vision to transform the organisation from a research and consulting firm to a data insights company became the key focus of our strategic plan.

As part of a broad range of strategic priorities we set 2 immediate goals:

- 1) Improve operational efficiency.
- 2) Respond rapidly to the increase in client demand for API services and data analytics.

We are pleased to report that significant progress has been achieved over the past 12 months. The consolidated cash position for CWL at the end of the September 2019 quarter was \$3.3m, an increase of \$1.1m when compared to the same period last year. The Group has achieved strong operational performance despite the \$1.5m reduction in R&D grant income. It is particularly important to highlight that Enzumo reported a profit in FY19 despite not receiving R&D grant income.

The Group launched Chant West API Services in July 2018 and released its first data analytics product to the market in September 2018. This rapid response to the increase in demand for digital products and services contributed to the 12% growth in group customer revenue in FY19.

During the next phase of our growth strategy, we will continue to focus on new opportunities to monetise our data.

The Group's strong cash position ensures that we are well placed to navigate the significant structural changes currently underway in the industry. We anticipate a period of M&A activity in the financial services sector over the next couple of years, and the Group intends to utilise its strong brand and financial position to explore tuck-in acquisition opportunities that align with our data insights strategy.

For further information contact

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Chant West

HOLDINGS LIMITED

Chant West Holdings Limited Business Overview

Chant West Holdings Limited (the Group, ASX: CWL) is a leading provider of research, consulting and software services to the superannuation and financial planning industries. It comprises two core businesses – Chant West and Enzumo.

Chant West is a respected superannuation research and consultancy business that has operated for over 20 years. Its research is integrated into proprietary software tools that help industry professionals compare products and financial planners advise their clients on superannuation matters. Clients include major financial institutions, retail and non-profit superannuation funds, asset consulting firms and financial planning dealer groups. About 85% of revenue is subscription based and 15% comes from consultancy services.

Enzumo conducts in-depth analysis of financial planning businesses and creates tailored technology solutions to help them operate more efficiently and compliantly. Its services typically involve configuring and customising XPLAN software to meet a firm's specific business needs. This includes creating customised templates for fact finds, statements of advice, annual reviews and business workflows. Enzumo also offers e-learning management systems, which are cloud-based, interactive, instructional guides to help advisers optimise their use of XPLAN and Enzumo's add-on products.

Overall, the Group's clients include the majority of Australia's leading superannuation funds, institutional wealth managers and financial planning dealer groups. More than 8,000 financial planners have access to our services.

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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

CHANT WEST HOLDINGS LIMITED

ABN

62 119 383 578

Quarter ended ("current quarter")

30 September 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	2,278	2,278
1.2 Payments for		
(a) research and development	(101)	(101)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(75)	(75)
(d) leased assets	-	-
(e) staff costs	(1,355)	(1,355)
(f) administration and corporate costs	(921)	(921)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(173)	(173)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(8)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(162)	(162)
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	(170)	(170)

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)	-	-
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 quarter/year to date	3,690	3,690
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(173)	(173)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(170)	(170)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,347	3,347

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	3,347	3,690
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)	3,347	3,690

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
187
-

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

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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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	300
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	50
9.4 Leased assets	-
9.5 Staff costs	1,062
9.6 Administration and corporate costs	812
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,224

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		

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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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(Director)

Date: 31 October 2019

Print name: Brendan Burwood

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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