



27 JULY 2020

## QUARTERLY ACTIVITIES REPORT

Thred Limited's (ASX: THD) active search for a suitable project was limited by Covid-19 restrictions and lockdown during the quarter.

Subsequent to the end of the quarter, THD acquired 80% of AR Technologies Pty Ltd (**Artech**) for \$1 to again control 100% of the subsidiary and take back ownership of the Sweep Business. The Board considered this necessary due to the unsuccessful development of the Sweep Business and the continuing failure of Artech to meet its obligations under the business sale arrangements.

### Financial Snapshot

The Company's net cashflow used in operations for the quarter was \$98K. The operational expenses mainly comprise of Staff Costs (\$41K) and Administration and Corporate Costs (\$74K)

The Company's cash position at the end of the quarter is \$2.288m in current cash holdings and continues to maintain a low cost operational structure until a suitable project is delivered. There were no substantive business activities during the quarter.

### Listing Rule 4.7C.3

In Item 6 of the attached Appendix 4c of the cash flow report for the quarter, payments to related parties of approximately \$54K comprised of Directors Fees, Company Secretarial Fees and Office Rental charges. Furthermore, as disclosed at item 6, no further loans were made to the associated entity Artech during the quarter.

6.1 – \$42,000 - salaries and consulting fees paid to directors and their related parties.

\$9,000– Company Secretary fees paid to directors' related entity.

\$3,000– Rent paid to directors' related entity.

6.2 – No further loans provided to associate entity (AR Technologies Pty Ltd) in the current quarter.

The Company will update shareholders in due course when a suitable opportunity has been assessed and can be considered by shareholders.

**Joe Graziano**  
**Company Secretary**



## Appendix 4C

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

**Name of entity**

THRED LIMITED (ASX:THD)

**ABN**

36 124 541 466

**Quarter ended ("current quarter")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(41)	(48)
(f) administration and corporate costs	(74)	(575)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	38
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	10	844



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.8	Other (provide details if material)	-	-
1.9	<b>Net cash from / (used in) operating activities</b>	<b>(98)</b>	<b>259</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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	-	(115)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(115)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	32	33
3.6	Repayment of borrowings	(4)	(4)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>28</b>	<b>29</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,358	2,115
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(98)	259
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(115)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	28	29
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,288</b>	<b>2,288</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	288	358
5.2	Call deposits	2,000	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,288</b>	<b>2,358</b>



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	54
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		
6.1 – \$42,000 - salaries and consulting fees paid to directors and their related parties. \$9,000– Company Secretary fees paid to directors' related entity. \$3,000– Rent paid to directors' related entity. 6.2 – No further loans provided to associate entity (AR Technologies Pty Ltd) in the current quarter.		

7.	<b>Financing facilities</b> <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A’000</b>	<b>Amount drawn at quarter end \$A’000</b>
7.1	Loan facilities	29	29
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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 of \$32,065 has been borrowed from iQumulate Premium Funding to fund the payment of insurance premiums at 7.1530% flat rate, 10 instalments payable at \$3,436 and fully repayable by 31 March 2021.			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(98)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,288
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,288
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	23
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: N/A	



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: N/A

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: 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.

Date: 27 July 2020

Authorised by: Joe Graziano

(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.