

10 February 2020

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## SHAREHOLDER UPDATE

Dear Shareholder,

First Growth Funds Limited ("FGFL") provides the following update on the Company's activities.

### **CANADIAN STOCK EXCHANGE (CSE) LISTING UPDATE**

FGFL submitted its draft prospectus to the British Columbia Commission on 14 December 2019. FGFL received a response and first query letter on 31 December 2019. Their letter included a broad range of questions and did not raise any major concerns or require material changes to the draft prospectus.

FGFL worked closely with its Canadian legal team and local auditors to respond and amend the draft prospectus over the holiday break and refiled with the Commission on 14 January 2020.

We continue to work with the Commission to refine the prospectus with the view to receive final approval. The Commission typically takes around 10 days to review and respond to each round of queries.

On approval of the final prospectus from the Commission, FGFL will finalise its application with the CSE. Following CSE approval a date will be set for the listing.

At this stage, we do not have a final date for expected approvals to be granted or a listing date. The board is working diligently on all tasks and remains confident on successfully listing on the CSE.

Note, First Growth Funds Limited has reserved the CSE Listing Code: FGFL

### **BUSINESS AND TRADING UPDATE**

FGFL is a diversified investment company with a portfolio across multiple asset classes. Below is a summary update of its most recent activity:

#### **31 December 2019 Half Year Reporting<sup>1</sup>.**

FGFL intends to release its Half Year Financial Reports on or before February 28, 2020. The investment updates below extend beyond the half year reporting period, and as such should not be read as guidance for the half year results.

#### **SQID Technologies Limited**

SQID is a payment processor enabling merchants to receive debit or credit card payments by providing connections to registered members of a Card Network such as Visa or MasterCard.

In 2019, FGFL invested \$1M for 14.64% shareholding in SQID Technologies Limited. FGFL remains the largest shareholder in SQID.

- 72% growth in annual revenue and 85% in annual profitability.
- 8 consecutive quarters of profitability.
- \$163 Million transactions in FY2019 with 794,000 customer transactions.
- Trusted payment processor for over 24 industries.

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<sup>1</sup> This section is supplementary to the letter issued to shareholders 10 February.



# FirstGrowthFunds

## First Growth Funds Limited

Level 14 440 Collins Street  
Melbourne, Victoria 3000  
www.firstgrowthfunds.com

- Patented two-factor authentication in multiple countries.
- High revenue/low cost business model with scalability.

Below shows the audited financial performance in FY2019 and FY2018:

	FY19	FY18	% Change
Total Transaction Volume	\$163M	\$106M	54%
Total Revenue	\$5.35M	\$3.12M	72%
Transactional Cost	\$3.15M	\$1.87M	68%
Expenses	\$1.10M	\$0.63M	75%
NPBT	\$1.15M	\$0.62M	85%
NPAT	\$0.81M	\$0.44M	84%

SQID successfully listed on the CSE on 21 January 2020, however to date there has been minimal trading of the shares.

### CCP Technologies Limited (ASX:CT1)

FGFL has invested \$392,675 (30,180,740 shares) and at the close of 7 February was valued at \$1,350,813, an unrealised profit of \$965,458\*\*.

FGFL also owns 15,090,370 fully vested CT1 options with an exercise price of \$0.015 per share and a further 12,500,000 fully vested CT1 options with an exercise price of \$0.03 per share. Based on the close of 7 February share price, exercising these options would have resulted in an unrealised profit of circa \$640,211\*\*.

\*\*Note: These unrealised returns are subject to market changes.

### Digital Assets

In 2019 FGFL announced it will only invest in later stage and established digital assets. Once again there is renewed interest in this sector with Bitcoin rising to over US\$9500 in January 2020. FGFL is monitoring the market closely and when the opportunity arises will be seeking more exposure to this asset class.

### Elect to be an e-Shareholder

If you have not already done so, we encourage all shareholders to elect to receive all communications electronically, where legally permissible. The benefits include:

- Lower printing and postage costs;
- Faster and more secure investor communications; and
- Helping the environment through the need for less paper.

Please provide your email address in the space below and return this form to our Share Registry by email to [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au) or post to Automic Group, GPO Box 5193, Sydney NSW 2001

My email address is:

On behalf of the board, I would like to thank all shareholders for their continual support and patience whilst we work towards relisting the Company. We are excited by the opportunities ahead of us and look forward to providing further updates to Shareholders as we go forward.

Yours sincerely,

Anoosh Manzoori  
Executive Chairman