

ASX Announcement

Zenitas Healthcare Limited (ASX: ZNT)

29 October 2018

APPENDIX 4C FOR THE QUARTER ENDED 30 SEPTEMBER 2018

Zenitas Healthcare Limited (ASX: ZNT) today announces its Appendix 4C for the quarter ended 30 September 2018.

The operating cash flow for the quarter ended 30 September 2018 was \$2.3 million, including acquisition costs of \$1.0 million.

For further information, please contact:

JUSTIN WALTER
CEO
0439 112 464

SHANE TANNER
CHAIRMAN
0411 107 099

About us

Zenitas is a community-based healthcare operator providing integrated care solutions that are primarily aimed at reducing the reliance on high cost acute and post-acute institutional care. Zenitas' strategy is to provide a range of allied health, home care and general practitioner services in Australia.

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

Zenitas Healthcare Limited

ABN

78 009 074 588

Quarter ended ("current quarter")

30 September 2018

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	36,241	36,241
1.2 Payments for		
(a) research and development	-	-
(b) operating costs	(17,297)	(17,297)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) employee and subcontractor costs	(14,929)	(14,929)
(f) administration and corporate costs	(413)	(413)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(374)	(374)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (acquisition and business development costs)	(957)	(957)
1.9 Net cash from / (used in) operating activities	2,274	2,274

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(904)	(904)
(b) businesses (see item 10)	(10,897)	(10,897)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
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	(11,801)	(11,801)

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	76	76
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	45,953	45,953
3.6 Repayment of borrowings	(24,837)	(24,837)
3.7 Transaction costs related to loans and borrowings	(260)	(260)
3.8 Dividends paid	--	-
3.9 Other (Payments of distributions to minority interest holders)	(761)	(761)
3.10 Net cash from / (used in) financing activities	20,171	20,171

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	6,668	6,668
4.2 Net cash from / (used in) operating activities (item 1.9 above)	2,274	2,274
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(11,801)	(11,801)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	20,171	20,171

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	17,312	17,312

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	17,312	17,312
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)	17,312	17,312

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in items 1.2 and 2.1
- 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
175
-

Payments of Directors fees, reimbursement of expenses and payments to a corporate advisor for ongoing business development activities.

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

- 7.1 Aggregate amount of payments to these parties included in items 1.2 and 1.8
- 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
-
-

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	68,000	39,883
8.2 Credit standby arrangements	-	-
8.3 Other (Working capital facilities)	2,000	-
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.		

The group has entered into debt facility agreements with National Australia Bank totalling \$68 million including Corporate Loan of \$65 million, Equipment Finance Facility of \$1 million and Bank Guarantee Facility of \$2 million. The debt facility is secured against the assets of all entities within the Group.

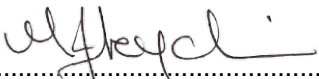
During the quarter all facilities with Westpac Banking Corporation were repaid.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Operating costs	7,049
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Employee costs	33,475
9.6 Administration and corporate costs	550
9.7 Other (Interest and costs of finance)	387
9.8 Total estimated cash outflows	41,461

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entities	<ol style="list-style-type: none"> 1. Australian Home Care 2. Leading Nutrition 3. Frankston Lifecare 4. Accommodation and Care Solutions 5. NexttCare Pty Ltd 	
10.2 Place of incorporation or registration	Victoria	
10.3 Consideration for acquisition or disposal	Consideration payments of \$11.8m	
10.4 Total net assets	<ol style="list-style-type: none"> 1. Australian Home Care - (\$1.0) million 2. Leading Nutrition - \$0.1 million 	
10.5 Nature of businesses	Allied health and mobile health businesses	

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:

(Director/Company secretary)

Date: 29 October 2018

Print name: Melanie Leydin