



R3D Global Limited | ACN: 111 398 040 | ASX: R3D

Level 5, 52 Phillip Street, Sydney NSW 2000 Australia | T +61 2 9251 7177 | F +61 2 9251 7500

31 July 2020

R3D Business Update & Appendix 4C

R3D Global Limited (ASX: R3D) (**R3D** or the **Company**) provides an update on the Company's operations and business activity, as well as its Appendix 4C for the quarter ended 30 June 2020 (**Q4 2020**).

Cash Receipts Up 66% on Q3 2020

International travel restrictions and restrictions on public gatherings continues to affect R3D's core investor, media, and public relations business with clients unable to continue to hold and promote large events for investors and other stakeholders. This has been the case since April 2020, and remains to be the case at present.

As envisaged in the Q3 2020 Business Update, R3D looked to respond to COVID-19 through promotion of services tailored for the current business environment including crisis communication, social media promotion, digital marketing, and e-commerce. In Q4 2020, the Company also launched a series of webinars by subject matter experts on crisis communication and management as well as a reputation management programme. The Company has seen positive results from these activities, with cash receipts of \$88,000 in Q4 2020, a 66% improvement on Q3 2020.

Cost Saving Initiatives and COVID-19 Response

A number of cost saving initiatives announced in the Q3 2020 Business Update have been extended into Q4 2020, including:

- Chief Executive Officer salary reduced by 20% in April and May and 52% in June 2020;
- Staff salaries reduced by 20% in June and July;
- Rent relief negotiated for R3D' Singapore office including a 15% reduction in rent for six months from April to September.

The Board and Management of R3D continue to monitor current economic conditions and COVID-19 related restrictions and will work to ensure the Company's ongoing financial stability through this period.

The Company continues to ensure the health and wellbeing of its staff members and has implemented Work from Home practices where possible, as well as applying best practice workplace safety measures including physical distancing and split team arrangements.

The Company is also expecting to access the Singaporean Government's Jobs Support Scheme, providing wage support benefiting the Company's Singaporean employees.

Q4 2020 Expenses

In Q4 2020, the Company's net cash from operating activities was -\$31,000, a significant improvement from Q3 2020 of -\$91,000. Expenses incurred in the quarter were primarily attributable to staff and admin costs at R3D's Singaporean and Indonesian offices as well as general corporate compliance costs.



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Payments to related parties and their associates in Q4 2020 totaled \$23,000, being comprised of remuneration to both the Chairman and the CEO. The Company notes that whilst the CEO, Florence Fang, resigned as a director in December 2019, the Company was required to continue reporting payments to her as payments to a related party for six months following her resignation, which has now ended.

For further information, please contact:

R3D Global

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ASX release authorised by Chief Executive Officer, Florence Fang.

About R3D Global Limited

R3D Global Limited (ASX: R3D) is a global investor relations and public relations firm with a global media distribution platform, with a strong specialisation within the Asia Pacific region. R3D is headquartered in Sydney, Australia with operations across Asia. Backed by a management team with vast financial market and public relations experience, R3D provides disruptive, dynamic and digitally integrative marketing solutions to companies interested to reach out to new markets.

Appendix 4C

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

Name of entity

R3D Global Limited

ABN

53 111 398 040

Quarter ended ("current quarter")

30 June 2020

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	88	351
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(71)	(290)
(f) administration and corporate costs	(48)	(380)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
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	(31)	(319)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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	-	-
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 period	160	448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(31)	(319)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	129	129

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	129	160
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)	129	160

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
23
-

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(31)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	129
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	129
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.16

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?

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?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

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: 31 Jul 2020

Authorised by: Florence Fang, Chief Executive Officer

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.