



FirstGrowthFunds

FIRST GROWTH FUNDS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended March 31, 2021 and March 31, 2020

Directors

Mr Anoosh Manzoori, Chief Executive Officer
Mr Michael Clarke, Non-Executive Director
Mr Geoff Barnes, Non-Executive Director
Mr Athan Lekkass, Non-Executive Director

Company Secretaries

Mr Mark Pryn and Mr Robert Kleine

Registered Office in Australia

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Share Registry

Odyssey Trust Company
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Auditor

Pitcher Partners
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Website Address

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FIRST GROWTH FUNDS LIMITED*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(Expressed in Australian Dollars)*

	Note	31 Mar 2021	30 Jun 2020
Current assets			
Cash and cash equivalents		1,046,661	4,349,767
Trade and other receivables	5	5,069	12,704
Inventories (cryptocurrencies)	6	47,200	47,200
Financial assets	7	6,227,547	3,126,095
Other		15,160	11,328
Total current assets		<u>7,341,637</u>	<u>7,547,094</u>
Non-current assets			
Financial assets	7	<u>1,660,949</u>	<u>1,608,567</u>
Total non-current assets		<u>1,660,949</u>	<u>1,608,567</u>
Total assets		<u>9,002,586</u>	<u>9,155,661</u>
Current liabilities			
Trade and other payables		<u>50,209</u>	<u>127,681</u>
Total current liabilities		<u>50,209</u>	<u>127,681</u>
Total liabilities		<u>50,209</u>	<u>127,681</u>
Net assets		<u>8,952,377</u>	<u>9,027,980</u>
Equity			
Issued capital	8	67,635,788	67,635,788
Reserves		-	-
Accumulated losses		<u>(58,683,411)</u>	<u>(58,607,808)</u>
Total equity		<u>8,952,377</u>	<u>9,027,980</u>

Approved on behalf of the Board:

“Anoosh Manzoori”

Anoosh Manzoori, CEO, Director

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE PROFIT AND LOSS***(Expressed in Australian Dollars)*

	Note	<u>Three months</u>		<u>Nine months</u>	
		Mar 31 2021	Mar 31 2020	Mar 31 2021	Mar 31 2020
		\$	\$	\$	\$
Income (loss) from continuing operations					
Revenue from continuing operations	4	47,000	-	105,800	45,455
Direct costs		-	-	-	-
Net income (loss) from continuing operations		47,000	-	105,800	45,455
Income (loss) from investments					
Interest revenue		12,727	23,577	42,561	72,072
Dividends received		-	-	-	-
Financial assets at fair value through profit and loss		1,546,470	534,666	575,562	1,053,914
Asset impairment reversals		100,243	-	103,437	-
Other gains and losses		(3,275)	3,182	(20,516)	3,182
Income (loss) from investments		1,656,165	561,425	701,044	1,129,168
Net income (loss)		1,703,165	561,425	806,844	1,174,623
Operating expenses					
AFSL ¹ support		(9,000)	(8,568)	(27,000)	(27,000)
Director related costs		(112,500)	(120,000)	(350,000)	(360,000)
Insurance and professional fees		(152,355)	(104,478)	(402,417)	(436,545)
Listing and share registry fees		(10,615)	-	(64,579)	(47,248)
Travel expenses		-	-	-	(57,134)
Other expenses		(12,081)	(35,165)	(38,451)	(85,480)
Total operating expenses		(296,551)	(268,211)	(882,447)	(1,013,407)
Profit/(loss) before income tax expense		1,406,614	293,214	(75,603)	161,216
Income tax expense		-	-	-	-
Profit/(loss) after income tax expense		1,406,614	293,214	(75,603)	161,216
Other comprehensive income, net of tax		-	-	-	-
Comprehensive income (loss)		1,406,614	293,214	(75,603)	161,216
		Cents	Cents	Cents	Cents
Basic and diluted earnings per share		1.808	(0.402)	(0.097)	(0.207)
Weighted average number of ordinary shares on issue		77,798,218	77,798,218	77,798,218	77,798,218

¹ AFSL – Australian Financial Services Licence

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY***(Expressed in Australian Dollars)*

	Issued capital	Share option reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2019	67,635,788	19,156	(59,561,303)	8,093,641
Loss after income tax expense	-	-	161,216	161,216
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	161,216	161,216
Lapsed options	-	(19,156)	19,156	-
Balance at 31 March 2020	67,635,788	-	(59,380,931)	8,254,857

	Issued capital	Share option reserve	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2020	67,635,788	-	(58,607,808)	9,027,980
Loss after income tax expense	-	-	(75,603)	(75,603)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	(75,603)	(75,603)
Balance at 31 March 2021	67,635,788	-	(58,683,411)	8,952,377

The accompanying notes are an integral part of these financial statements.

FIRST GROWTH FUNDS LIMITED*(An Investment and Advisory Group)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2021***(Expressed in Australian Dollars)*

	Note	Nine months ended	
		31 Mar 2021	31 Mar 2020
		\$	\$
CASH PROVIDED BY / (USED IN)			
OPERATING ACTIVITIES			
Profit / (loss) after tax		(75,603)	180,372
Adjustments for non cash items		-	-
Fair value adjustments through profit and loss		(575,562)	(1,053,914)
Impairment reversals		(103,437)	-
Share based payment credits (related)			(19,156)
Advisory fees settled in shares	4	-	(45,455)
<u>Changes in non cash working capital balances</u>			
Decrease / (increase) in receivables		7,635	23,233
Decrease / (increase) in inventories		-	(251,704)
Decrease / (increase) financial assets		(2,474,835)	1,702,323
Decrease / (increase) in other current assets		(3,832)	(21,418)
(Decrease) / increase in payables		(77,472)	(77,067)
Cash provided by / (used in) operating activities		(3,303,106)	437,214
INVESTING ACTIVITIES			
Intangible asset proceeds		-	100,869
Cash provided by / (used in) investing activities		-	100,869
Increase / (decrease) in cash		(3,303,106)	538,083
Cash, beginning		4,349,767	2,255,897
Cash closing		1,046,661	2,793,980
OTHER NON CASH TRANSACTION INFORMATION:			
Trade receivable – share based settlement		-	33,675

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

The Parent Entity, First Growth Funds Limited is incorporated under the Laws of the Australia, specifically the *Corporations Act 2001*. The registered office and principal place of business of First Growth Funds Limited is located at Level 14 440 Collins St Melbourne, Victoria, 3000, Australia. The Consolidated Entity shares are listed on the Canadian Securities Exchange.

The Consolidated Entity comprises First Growth Funds Limited as the parent and two wholly owned controlled entities:

- ICO-AN Pty Ltd (incorporated in Australia 17 November 2017)
- First Growth Advisory Pty Ltd (incorporated in Australia 8 March 2018)

The Group's principal business activities are to provide advisory services to both listed and private unlisted companies and to manage a diversified portfolio of different assets and classes including large and small cap listed equities, private equity and pre-IPO investments, convertible notes, loans and cryptocurrencies investments.

2. BASIS OF PRESENTATION

a. Statement of compliance

These financial statements are prepared in compliance with Australian Accounting Standard *AASB 134 Interim Financial Reporting*. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These financial statements should be read in conjunction with the Consolidated Entity's financial statements for the year ended June 30, 2021.

These financial statements were reviewed and approved and issued by the Board of Directors on April 21, 2021.

b. Measurement basis

The financial statements have been prepared on the historical cost basis except for the following:

- Financial assets and financial liabilities which are initially recognised at their fair values and subsequently measured at their respective fair values in accordance with AASB 9 and AASB 13;
- Inventories are valued at the lower of their cost or their net realisable value;
- Intangible assets are valued at cost less any asset impairments.

These financial statements have been prepared using the accrual basis of accounting. The functional and presentation currency of the Consolidated Entity is the Australian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these Condensed Interim Consolidated Financial Statements are based on IFRS issued and outstanding as the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these Condensed Interim Consolidated Financial Statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2021. Any subsequent changes to IFRS that are given effect in the Consolidated Entity's annual financial statements for the year ending June 30, 2021 could result in restatement of these condensed interim consolidated financial statements.

4. NET INCOME / (LOSS) FROM CONTINUING OPERATIONS

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Mar 31</u>	<u>Mar 31</u>	<u>Mar 31</u>	<u>Mar 31</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Advisory / Commission income	47,000	-	100,500	45,455
Other	-	-	5,300	-
Income from continuing operations	47,000	-	105,800	45,455
Direct costs	-	-	-	-
Net income (Loss) from continuing operations	47,000	-	105,800	45,455

5. TRADE AND OTHER RECEIVABLES

	<u>31 Mar</u>	<u>30 Jun</u>
	<u>2021</u>	<u>2020</u>
	\$	\$
Loans receivable (i)	-	226,022
Impairment allowance	-	(226,022)
GST receivable	5,069	12,704
Total	5,069	12,704

- (i) On 1 March 2020 the Group entered into a short-term arrangement with Australian Nutrition and Sports Limited. Australian Nutrition and Sports Limited appointed an Administrator in March 2021 and in May 2021 entered a Deed of Company Arrangement with creditors. This loan was fully impaired as at June 30, 2021 and written off during the reporting period upon receipt a first and final distribution under the Deed of Company Arrangement totalling \$3,194.

6. INVENTORIES

	<u>31 Mar</u>	<u>30 Jun</u>
	<u>2021</u>	<u>2020</u>
	\$	\$
Cryptocurrencies held for sale	736,181	736,181
Provision for impairment	(688,981)	(688,981)
Total	47,200	47,200

Cryptocurrency holdings

As at 31 March 2021, the Group held:

- 907,730,000 (30 June 2021: 907,730,000) Sovereign Cash Tokens (SOV) tokens. The carrying value of the SOV tokens is \$Nil (30 June 2021: Nil).
- 255.5 Ethererum ("ETH") tokens The carrying value of the ETH tokens is \$47,200 (30 June 2021: \$47,200).

7. FINANCIAL ASSETS

	31 Mar 2021 \$	30 Jun 2021 \$
CURRENT		
Listed securities at fair value through profit and loss	5,726,591	3,126,095
Unlisted convertible notes at amortised costs	<u>500,956</u>	<u>-</u>
Total	<u>6,227,547</u>	<u>3,126,095</u>
NON-CURRENT		
Unlisted securities at fair value through profit and loss	1,660,949	864,816
Unlisted convertible notes at amortised costs	<u>-</u>	<u>743,751</u>
Total	<u>1,660,949</u>	<u>1,608,567</u>

8. SHARE CAPITAL

(a) Issued and Outstanding Ordinary Shares

	Number of Ordinary Shares	Amount \$
Balance, July 1, 2020	77,798,218	67,635,788
Movements during the period	Nil	Nil
Balance, March 31, 2021	77,798,218	67,635,788

(b) Share Options

	Number of Options on issue
Balance, July 1, 2021	Nil
Movements during the period	
Advisor options granted	<u>1,000,000</u>
Balance, March 31, 2021	1,000,000

The options granted during the period form part of the consideration for services rendered under investor relations and corporate advisory consulting arrangements. Each option carries the right to acquire one fully paid ordinary share. The terms attached to the options are set out below:

	Tranche 1	Tranche 2
Grant date	August 4 2021	August 6 2021
Number granted	500,000	500,000
Exercise price (Canadian dollars)	\$0.28	\$0.28
Expiry date	August 4 2021	August 6 2021

The fair value of the options is nil.

The accompanying notes are an integral part of these financial statements.

9. INCOME TAXES

No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

10. MANAGEMENT OF CAPITAL

The objective when managing capital is to safeguard the assets. The Consolidated Entity is not subject to any externally imposed capital requirements.

As at March 31, 2021, the Consolidated Entity capital resources include all the components of shareholders' equity. The Consolidated Entity manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Parent Entity may attempt to issue Ordinary Shares.

11. COMMITMENTS

Nil.

12. OPERATING SEGMENTS

The Group's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Director are of the opinion that there is one reportable segment in the Group as the CODM reviews results, assess performance and allocates resources at a Group level.

As the information reported to the CODM is the consolidated results of the Group, the segment results are shown throughout these financial statements and are not duplicated here.

13. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 Mar 2021				
Financial assets at fair value through profit or loss				
- Listed securities (i)	5,242,954	-	483,637	5,726,591
- Unlisted securities (ii) & (iii)	-	75,452	1,585,497	1,660,949
Total	5,242,954	75,452	2,069,134	7,387,540

The accompanying notes are an integral part of these financial statements.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 Jun 2020				
Financial assets at fair value through profit or loss				
- Listed securities (i)	1,341,246	-	1,784,849	3,126,095
- Unlisted securities (ii) & (iii)	-	281,536	583,280	864,816
Total	1,341,246	281,536	2,368,129	3,990,911

- (i) Quoted trading prices in active markets are not always available for listed securities. Where there are no observable valuation inputs, investments in listed securities are classified as Level 3 in the fair value hierarchy. To determine the enterprise value as an approximation of fair value of a listed security classified as Level 3, conservative revenue multiples were applied in previous reporting periods. However during the current reporting period the listed entity experienced a major revenue deterioration, accordingly, it was determined that net tangible asset backing per share was a more appropriate method to determine the enterprise value of the investee company which operates in the payment processing sector.

The fair value of this level 3 investment includes unrealised fair value losses of \$1,301,217 recognised through current year period or loss (30 June 2021: \$739,384 gain). The investee company, SQID Technologies Limited listed on the CSE in January 2021 and prior to listing the investment's fair value represented the consideration transferred to acquire an interest in the investment. Since listing the volume of shares traded are considered too low to conclude that an active market existed as at March 31, 2021, therefore an alternative fair value approach was adopted.

- (ii) Investments in unlisted securities valued at fair value and classified as Level 2 within the fair value hierarchy relate to unlisted options issued by listed entities. The fair value for the options is pegged to the trading prices for the related listed securities.
- (iii) Investments in unlisted securities valued at fair value and classified as Level 3 within the fair value hierarchy. The directors have considered the available information regarding these investments and believe it is currently appropriate to recognise a fair value of \$1,416,520 (30 June 2021: \$583,280) based on the consideration paid on acquisition.
- (iv) Sensitivity tables

The table below sets out the potential impact to profit before tax and equity resulting from a 20% increase and 20% decrease in the fair values of investments categorised as Level 3 in the fair value hierarchy.

	Increase 10%		Decrease 10%	
Mar 31 2021	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Listed securities	96,728	96,728	(96,728)	(96,728)
Unlisted securities	317,099	317,099	(317,099)	(317,099)
	Increase 10%		Decrease 10%	
30 Jun 2020	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Listed securities	356,970	356,970	(356,970)	(356,970)
Unlisted securities	116,656	116,656	(116,656)	(116,656)

The accompanying notes are an integral part of these financial statements.

14. SUBSEQUENT EVENT(S)

Nil.

No other matters or circumstances have arisen since the end of the reporting period that have significantly affected or may have a significant effect on the financial operations of, the financial performance of those operations, or the financial position of, the consolidated entity, in the subsequent reporting period.

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