

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR 30 SEPTEMBER 2023

31 October 2023

ASX CODE: MPX

DIRECTORS

Mr Nicholas Zborowski
Executive Director

Mr Anthony Ho
Non-Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

COMPANY SECRETARY

Natalie Teo

CAPITAL STRUCTURE

Ordinary Shares: 144.2M
Options: 2.5M

COMPANY ENQUIRIES

Nicholas Zborowski
Executive Director

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North Fremantle WA 6159

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Mustera Property Group Ltd (**Mustera** or the **Company**) is pleased to provide an update on its operational activities during the September 2023 Quarter (the **Quarter**).

HIGHLIGHTS

1. Mustera continued with its sales and marketing campaign for the Company's flagship project, Forbes Residences (**Forbes** or the **Project**).
2. The Company secured \$6.51m in apartment sales during the Quarter for the Project.
3. Construction has progressed on the Project with finishes and fit out, plus service installation ongoing.

1. Forbes Residences, 10 Forbes Road, Applecross

The project is in the advanced stages of completion with scaffolding progressively being dismantled with craneage and access platforms still in place. Structure is completed. Internal ceilings and walls substantially complete, continuation of services with fire and hydraulic commenced to level 12 with lower floors progressing. External glazed windows, doors and joinery progressing. Waterproofing is completed to concrete roof decks and masonry planters progressing. Landscaping to roof top deck substantially complete, swimming pool outer shell complete, external claddings continuing. Tiling, painting and joinery progressing. The control unit is now 95% complete.





In addition to the construction activities the Company continued with its sales and marketing campaign for the Project. The Company sold 3 apartments which has secured an additional \$6.51m in sales during the Quarter for the Project.

2. Corporate Commentary

Summary of expenditure incurred

In accordance with Listing Rule 4.7C.1, the Company spent approx. A\$8.4 million on operating costs, comprised of project development and construction costs of approx. A\$8.2 million for Forbes Residences, and occupancy costs of approx. A\$200K for its investment properties (being 15 McCabe Street and the Shoalwater Shopping Centre).

The Company incurred interest expenses of approx. A\$1m during the quarter. Additionally, corporate overheads totalling A\$169K for the quarter include advertising and marketing costs of A\$7K, staff costs of A\$98K and administrative costs of A\$64K.

Subsequent to the Quarter, the Company has refinanced several of its existing debt facilities and as part of the refinance, approximately \$1.42m is now available to Mustera and will be utilised as working capital for the Group.

Additional information is set out in Sections 1, 2 and 3 of the Appendix 4C following this Quarterly Activities Report.

Payments to related parties

A description of and explanation for payments to related parties and their associates per Section 6.1 of the Appendix 4C following this Quarterly Activities Report is set out in the table below.

Payments to related parties of the entity and their associates	Current Quarter \$A'000	Previous Quarter \$A'000
Directors' remuneration		
Executive Director	57	45
Non-Executive Directors	14	10
Total Directors' remuneration	71	55
Total payments to related parties of the entity and their associates	71	55

AUTHORISED BY

THE BOARD OF DIRECTORS

Appendix 4C

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

Name of entity

Mustera Property Group Ltd

ABN

13 142 375 522

Quarter ended ("current quarter")

30 September 2023

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	539	539
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(8,448)	(8,448)
(c) advertising and marketing	(7)	(7)
(d) leased assets	-	-
(e) staff costs	(98)	(98)
(f) administration and corporate costs	(64)	(64)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(1,050)	(1,050)
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	(9,124)	(9,124)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(202)	(202)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(101)	(101)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(303)	(303)

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	8,524	8,524
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Fund distributions, Term deposits closed)	-	-
3.10 Net cash from / (used in) financing activities	8,524	8,524

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,085	1,085
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(9,124)	(9,124)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(303)	(303)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,524	8,524
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	182	182

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	182	1,085
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)	182	1,085

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 (director remuneration)	71
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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7. Financing facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	53,600	47,854
7.2 Credit standby arrangements		
7.3 Other (business credit card)	63	14
7.4 Total financing facilities	53,663	47,868
7.5 Unused financing facilities available at quarter end		5,795
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.		
<p>\$51.3m loan note subscription agreement with PAG, interest 4.90% PA, redemption 22 months from date of first issue of loan notes. For the purpose of refinancing existing debt secured against land and financing costs associated with the development and construction of the Forbes project.</p> <p>\$2.15m commercial advance facility with Bankwest, BBSY plus 1.75% PA, expiring 15 February 2024. To facilitate construction of service station at Shoalwater</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(9,124)
8.2 Cash and cash equivalents at quarter end (item 4.6)	182
8.3 Unused finance facilities available at quarter end (item 7.5)	5,795
8.4 Total available funding (item 8.2 + item 8.3)	5,977
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.66
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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: Yes	
8.6.2 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: Yes, subsequent to the reporting period the Company refinanced several of its debt facilities and as part of the refinance, approximately \$1.42m is now available to Mustera and will be utilised as working capital for the Group.	

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

Answer: Yes, based on the debt refinancing initiative noted above and in the Quarterly Activities Update.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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 October 2023

Authorised by: **The Board of Directors**
(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.

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