

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT FOR 31 MARCH 2024

22 April 2024

ASX CODE: MPX

DIRECTORS

Mr Nicholas Zborowski
Executive Director

Mr Anthony Ho
Non-Executive Director

Mr Jack Spencer-Cotton
Non-Executive Director

JOINT COMPANY SECRETARIES

Adrian Teo
Amos Tan

CAPITAL STRUCTURE

Ordinary Shares: 146.2M

COMPANY ENQUIRIES

Nicholas Zborowski
Executive Director

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Mustera Property Group Ltd (**Mustera** or the **Company**) is pleased to provide an update on its operational activities during the March 2024 Quarter (the **Quarter**).

HIGHLIGHTS

1. The main focus of the Group's activities was on the Company's flagship project, Forbes Residences (**Forbes** or the **Project**).
 - a. Construction advanced during the quarter with the City of Melville issuing temporary occupancy on 28 March 2024.
 - b. It is anticipated that the project will reach practical completion towards the end of April 2024.
 - c. Subsequent to quarter end, the Company has lodged an application for titles with Landgate.
 - d. Settlement of contracted sales is anticipated at the end of April and early May 2024.

1. Forbes Residences, 10 Forbes Road, Applecross

This project is in the final stages of completion with finishing works including minor finishing trades and works to level 4 common areas to be completed at the end of the quarter.

During the quarter the Company commenced with its pre-purchase inspections with the buyers while the builder continued with their defect rectification.

The Company received its temporary occupancy permit from the City of Melville during the quarter.

Post quarter end, application for titles have been lodged with Landgate. The Company anticipates the titles to be issued imminently with settlement commencing from the end of April and in early May 2024.



2. Corporate Commentary

Summary of expenditure incurred

In accordance with Listing Rule 4.7C.1, the Company spent approx. A\$4.1 million on operating costs, comprised of project development and construction costs of approx. A\$3.7 million for Forbes Residences, and occupancy costs of approx. A\$0.4 million for its investment properties (being 15 McCabe Street and the Shoalwater Shopping Centre).

The Company incurred interest and other costs of finance of approx. A\$2.1 million during the quarter. Additionally, corporate overheads totalling A\$354K for the quarter include advertising and marketing costs of A\$6K, staff costs of A\$114K and administrative costs of A\$234K.

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	65	65
Non-Executive Directors	23	23
Total Directors' remuneration	88	88
Total payments to related parties of the entity and their associates	88	88

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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	478	1,533
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,094)	(19,940)
(c) advertising and marketing	(6)	(14)
(d) leased assets	-	-
(e) staff costs	(114)	(324)
(f) administration and corporate costs	(234)	(320)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	41
1.5 Interest and other costs of finance paid	(2,079)	(4,964)
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	(6,046)	(23,988)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(38)	(255)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(131)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(38)	(386)

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	5,702	23,389
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	5,702	23,389

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	482	1,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,046)	(23,988)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(38)	(386)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,702	23,389
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	100	100

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	100	482
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)	100	482

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)	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	61,615	61,059
7.2 Credit standby arrangements		
7.3 Other (business credit card)	63	9
7.4 Total financing facilities	61,678	61,068
7.5 Unused financing facilities available at quarter end		610
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>The loan note subscription agreement with PAG loan of \$59.3m with interest 4.90% PA, redemption adjusted accordingly. For the purpose of refinancing existing debt secured against land and financing costs associated with the development and construction of the Forbes Residences Project.</p> <p>\$2.15m commercial advance facility with Bankwest, BBSY plus 1.75% PA, expiring 30 June 2024. To facilitate construction of service station at the Shoalwater Shopping Centre.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(6,046)
8.2 Cash and cash equivalents at quarter end (item 4.6)	100
8.3 Unused finance facilities available at quarter end (item 7.5)	610
8.4 Total available funding (item 8.2 + item 8.3)	710
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.12
<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: The Company's funding of its operations going forward will be positively affected by the following:

- i. the Company expects net operating outflow of the next quarter to be substantially reduced as the flagship project Forbes Residence is approaching its completion (as noted in the quarterly commentary above);
- ii. contracted sales of approximately \$72m is anticipated with the settlement of Forbes Residence in the next quarter. This event will substantially retire the senior debt of the project and replenish working capital of the Company; and
- iii. the Company's current debt facilities are being renegotiated.

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 targeted completion of the Forbes Residences Project in 2HFY2024.

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: 22 April 2024

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.