

30 July 2018

ASX Announcement

Zenitas Healthcare Limited (ASX: ZNT)

APPENDIX 4C FOR THE QUARTER ENDED 30 JUNE 2018

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

The operating cash flow for the year ended 30 June 2018 was \$10.92 million and for the quarter ended 30 June 2018 was \$3.65 million.

The Board reaffirms FY18 EBITDA guidance of \$13.0 million to \$13.5 million prior to acquisition costs and recently announced acquisitions.

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 June 2018

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	32,963	106,095
1.2 Payments for		
(a) research and development	-	-
(b) operating costs	(11,304)	(28,877)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) employee and subcontractor costs	(17,460)	(64,279)
(f) administration and corporate costs	(193)	(1,188)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	63	199
1.5 Interest and other costs of finance paid	(199)	(805)
1.6 Income taxes paid	(225)	(225)
1.7 Government grants and tax incentives	-	-
1.8 Other (acquisition and business development costs)	-	-
1.9 Net cash from / (used in) operating activities	3,645	10,920
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(368)	(2,318)
(b) businesses (see item 10)	(3,098)	(50,897)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	3
(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	(3,466)	(53,212)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	29,733
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	23	540
3.4 Transaction costs related to issues of shares, convertible notes or options	(2)	(2,027)
3.5 Proceeds from borrowings	-	23,582
3.6 Repayment of borrowings	(78)	(5,279)
3.7 Transaction costs related to loans and borrowings	-	(88)
3.8 Dividends paid	(687)	(687)
3.9 Other (Payments of distributions to minority interest holders and working capital payment to NexttCare business in relation to FY18)	(3,669)	(4,891)
3.10 Net cash from / (used in) financing activities	(4,413)	40,883

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	10,902	8,078
4.2 Net cash from / (used in) operating activities (item 1.9 above)	3,645	10,920
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,466)	(53,212)

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)	(4,413)	40,883
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	6,668	6,668

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	6,668	10,902
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)	6,668	10,902

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**

163

-

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	23,000	18,000
8.2 Credit standby arrangements	-	-
8.3 Other (Working capital facilities)	3,650	1,812
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.		

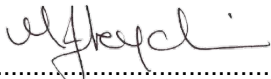
The group has entered into debt facility agreements with Westpac Banking Corporation totalling \$26.65 million including Bank Bill Business Loans of \$23 million and working capital facilities of \$3.65 million. The debt facility is secured against the assets of all entities within the Group. The amount drawn at the end of the quarter is in relation to Bank Bill Business Loans, Equipment Finance Facility and bank guarantees for property leases.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Operating costs	8,845
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Employee costs	29,075
9.6 Administration and corporate costs	450
9.7 Other (Interest and costs of finance)	387
9.8 Total estimated cash outflows	38,757

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entities	1. Beleura Health Solutions 2. Lifecare Fremantle, Joondalup and Sports Medicine Murdoch	
10.2 Place of incorporation or registration	Victoria and Western Australia	
10.3 Consideration for acquisition or disposal	1. Consideration payments of \$2.4m 2. Consideration payments of \$0.6m	
10.4 Total net assets	1. \$0.1 million 2. \$0.1 million	
10.5 Nature of businesses	Allied 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: 
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(Director/Company secretary)

Date: 30 July 2018

Print name: Melanie Leydin