



## ACTIVITY STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2022

Canberra, 30 January 2023

Electro Optic Systems Holdings Limited (“EOS” or the “Company”) has filed its activity statement (4C) for the quarter ended 31 December 2022.

### 1. QUARTERLY OVERVIEW

- **Restructuring Program.** The implementation of EOS new business plan continued. This included implementing the previously announced restructuring program, aimed at achieving annual cost savings of \$25m, mainly from Q1 2023 onwards. As part of this focus on cost reduction and improving profitability, over 100 roles were made redundant since September 2022.
- **Cessation of SpaceLink.** EOS ceased investment in SpaceLink Corporation (‘SpaceLink’). This included establishing an Assignment for the Benefit of Creditors (ABC) under US law. Under the ABC process, at 31 December 2022, SpaceLink was controlled by an Assignee, and the Assignee acts in the interests of creditors. During the year ended 31 December 2022, total EOS cash outflows on SpaceLink were \$29.1m. Of this, \$4.0m arose in Q4 and was reported within Net Cash used in Operating Activities. As a result of the decision to cease investment, and the ABC process, EOS expects that future EOS cash outflows related to SpaceLink will be nil in Q1 2023 and beyond. This is expected to assist in improving future cash flows and profitability.
- **Strategic Growth Partners.** EOS continues discussions with several potential strategic partners. This includes work to understand their ability to support EOS diversification into new geographic markets and/or to complement the Company’s existing products in existing markets.
- **Refinancing.** On 12 October 2022, EOS completed a refinancing transaction, securing \$15m additional facilities.
- **Cash Position.** Net Cash used in Operating Activities for the quarter was a \$13.9m cash outflow. As announced on 30 October 2022, EOS’ borrowing facilities were fully drawn during the quarter. At 31 December 2022, EOS held \$21.7m in total available cash.
- **Board Changes.** On 24 November 2022, Peter Leahy stepped down as a Director and Chair of the Board of EOS, and the EOS Board appointed Garry Hounsell in the role of independent Chair. After the end of the quarter, on 24 January 2023, Deena Shiff advised of her decision to step down as a Director, effective 31 January 2023.
- **Market Opportunities.** EOS continued to progress potential opportunities, including related to the conflict in Ukraine. These have the potential to materially improve future revenue and cash flow. There is no certainty that any particular outcome or transaction will result from these discussions.
- **Customer Delivery.** EOS continued to deliver products and achieve milestones on key contracts. As a result of detailed work to improve cash flow, total customer receipts during the quarter were \$40.7m, an increase on the \$29.5m receipted during the previous quarter. Work also continued on initiatives to improve future cash collection, including key customer negotiations. This has the potential to improve cash flow during 2023.

## 2. COMPREHENSIVE PROGRAM OF CHANGE

EOS continues to execute a comprehensive “Program of Change”, led by the CEO, Dr Andreas Schwer.

The comprehensive Program of Change includes:

- **A Restructuring Program** to reduce costs, improve efficiency and align resources more closely with current activity levels. Total annual savings of \$25m from the restructuring program are expected to be achieved. As part of this focus on cost reduction and improving profitability, and as a result of aligning resources with current activity levels, over 100 roles were made redundant since September 2022.

In addition to reducing headcount, EOS continues to take steps to appoint managers with a strong commercial background and industry experience.

Work is continuing on opportunities to consolidate premises across locations.

- **The Cessation of Investment in SpaceLink**. On 16 November 2022, EOS announced that it had ceased investment in SpaceLink. This included establishing an Assignment for the Benefit of Creditors (ABC) under US law. Under the ABC process, at 31 December 2022, SpaceLink was controlled by an Assignee, and the assignee acts in the interests of creditors. EOS expects that the Assignee will manage SpaceLink while working to liquidate SpaceLink’s assets and using the proceeds to pay creditors.

During the year ended 31 December 2022, total EOS cash outflows on SpaceLink were \$29.1m. Of this, \$4.0m arose in Q4 and was reported within Net Cash used in Operating Activities.

As a result of the decision to cease investment, and the ABC process, EOS expects that future EOS cash outflows related to SpaceLink will be nil in Q1 2023 and beyond.

The comprehensive Program of Change is expected to assist in improving future cash flows and profitability, mainly from Q1 2023 onwards.

## 3. STRATEGIC GROWTH PARTNERSHIPS AND/OR CAPITAL TRANSACTIONS

As outlined in the [EOS 13 October 2022 announcement](#), EOS has received approaches from several parties in relation to potential strategic growth partnerships and/or capital transactions.

A confidential process is ongoing to develop and assess potential strategic partners having particular regard to their ability to support diversification into new geographic markets and/or to complement our existing products in existing markets.

There is no certainty that any particular outcome or transaction will result from the process. EOS will update the market as appropriate.

## 4. MARKET UPDATE

The international market for EOS products continued to develop positively during the quarter. This was partly due to the conflict in Ukraine and the impact on customer demand in NATO countries and other markets. As a result, EOS is working on a number of new potential sales opportunities.

Typically, EOS operates in an industry where it can take an extended period of time (including up to, and beyond, twelve months) for new market opportunities to be converted into signed sales contracts.

In Australia, the Commonwealth of Australia is continuing work on the Defence Strategic Review. This review is expected to clarify the Australian Defence Force's (ADF) future plans on key projects, including some that may benefit EOS. The completion of this review is currently expected to be announced in H1 2023. As part of this review, the ADF's plans for some projects that may benefit EOS are now expected to be announced later than previously expected.

## **5. BUSINESS UPDATE – DEFENCE SYSTEMS**

### **New Business Update**

During the quarter ended 31 December 2022, several new potential international business opportunities arose. Work to develop these continues.

Some opportunities that were previously expected to be signed and commence delivering revenue in H2 2022 have been delayed by customers. This was due to a range of political, economic and global geopolitical factors, including the impact of Ukraine and ongoing global supply chain issues. These opportunities are now expected to deliver revenue in 2023 and beyond.

Regarding Ukraine, EOS continues to be in active contract negotiations on the potential provision of a significant number of Remote Weapons Systems (RWS) and related components and spares. This includes opportunities for direct supply to Ukraine, and to other countries providing support to Ukraine. These opportunities have the potential to materially improve future revenue and cash flow. There is no certainty that any particular outcome or transaction will result from these discussions, and EOS will update the market as appropriate.

### **Product Development**

During the quarter, Defence Systems continued to work to widen the EOS product range, beyond the longstanding successful R400 RWS product:

- Following work during the quarter, in January 2023 Defence Systems secured an initial order for the new ultra-light R150 RWS product. An order for fourteen R150 gimbals was received as part of the L3Harris Vampire program, under which the US is providing support to Ukraine. This order represents a significant validation of a new EOS product and may lead to substantial follow-on opportunities in future. The order is for less than \$10m and is expected to be completed in 2023.
- In addition, following supply in previous years, a follow-on order was secured for fourteen new heavyweight R600 systems, plus spares, for a customer in South East Asia. The R600 order is being manufactured in EOS US facilities in Huntsville, Alabama. The total order is for up to \$15m and is expected to be completed in 2023.
- Defence Systems continued to develop the new R800 RWS product with evaluation by potential customers ongoing in North America.

### **Existing Business Update**

Global supply chain challenges continue, impacting the timing of EOS revenue recognition. Whilst in some areas supply chain challenges show signs of easing, in other areas the impact of previous challenges continues to be felt and new challenges emerge. Management expects this to remain a challenge into 2023 and accordingly focus on this area will continue.

In the US, the EOS facility in Huntsville, Alabama has secured a Facility Clearance from the US Defence Counterintelligence Security Agency. Having obtained this clearance, the EOS Huntsville facility is now eligible to compete for classified contracts and to work with other cleared defence contractors on classified efforts to supply the US military.

EOS continued to work closely with its largest Middle Eastern customer to ensure milestones were achieved. Work to improve future cash collections, including new contract amendment negotiations, is continuing.

## 6. BUSINESS UPDATE - SPACE SYSTEMS

During Q4 2022 the Space Systems business continued to deliver products and services to customers under existing contracts. In addition:

- EM Solutions started work under the new \$26m three-year sustainment contract (signed during Q3 2022) for the Royal Australian Navy's existing fleet of Cobra Maritime SATCOM terminals.
- Space Systems (including KiwiStar Optics) continued work during the quarter to supply laser and telescope equipment to customers in Asia and Europe under contracts won during H2 2022, totalling approximately \$1m.
- Both EM Solutions and Space Systems continued to pursue significant sales opportunities in Australia and internationally. These may lead to significant customer contracts being signed during 2023.
- EOS ceased investment in SpaceLink (see section 2 above).

## 7. RELATED PARTY TRANSACTIONS

Payments to related parties of the entity and their associates totalled \$286,821 for the quarter. These amounts include \$175,805 paid to a director who is also an executive, and \$111,016 paid in directors' fees and superannuation to non-executive directors and entities associated with non-executive directors during the quarter.

## 8. BORROWING SUMMARY

As at the date of this announcement, EOS has the following borrowing facilities in place:

- Working Capital Facility, \$20m principal, maturing on 6 September 2023
- Working Capital Facility, \$15m principal, maturing on 11 April 2024
- Term Loan Facility, \$35m principal, maturing on 11 October 2025

The key terms of each of these facilities are included in the announcement dated 13 October 2022 "EOS enters into New Financing Facilities & continues development of Strategic Growth Options" ("[EOS 13 October 2022 Announcement](#)").

As at 31 December 2022, these facilities were fully drawn.

The Board continues to closely monitor the cash flow outlook for the business to ensure that adequate funding is in place. The Board will continue to regularly review and, if necessary, amend EOS capital structure to support the Program of Change.

## 9. COMPANY CASH

During the quarter, receipts from customers totalled \$40.7m. In Q4, EOS Net Cash Used in Operating Activities was \$13.9m. Included in Net Cash Used in Operating Activities was \$4.0m relating to SpaceLink during the quarter (Q3: \$3.8m relating to SpaceLink).

At 31 December 2022 EOS held \$21.7m in total available cash. Finance facilities were fully drawn, with the exception of \$339,000 of remaining facility available from EFA.

### Impact of Contract Asset Balance

At the end of the quarter, EOS had a contract asset recorded totalling approximately \$161m, representing work completed for existing contracts but not yet invoiced to the customer. This balance relates almost entirely to a large customer contract in the Middle East, which is expected to be invoiced and realised in cash in future periods.

In addition, at 31 December 2022, EOS had received payments in advance from customers totalling approximately \$23m.

The net contract asset (after deducting payments received in advance) of \$138m at 31 December 2022 was \$23m higher than it was at 30 September 2022. This increase was a key cause of the negative operating cash flow during the quarter ended 31 December 2022.

### Payments to Trade Creditors

During the quarter, EOS drew down on borrowing facilities and used the proceeds to repay a number of aged Trade Creditors. As a result, the payments for Product Manufacturing and Operating Costs, reported within Net Cash used in Operating Activities during the quarter, were \$29.5m.

### Finance Costs

During the quarter, certain refinancing costs and interest costs relating to the new facilities were capitalised under the terms of borrowing agreements. In addition, EOS paid \$1.2m of interest and other finance costs during the quarter and reported these within Net Cash used in Operating Activities. Transaction costs relating to loans and borrowings of \$1.2m were also paid and reported within Net Cash from Financing Activities.

### Actions to improve Cash Flow

During the quarter, the management team has continued to focus on improving EOS future cash flow by:

- Increasing the focus on improving cash flows from projects, including negotiating contract amendments with key customers
- Making over 100 roles redundant since September 2022, to help reduce costs by a target total of \$25m per annum
- Reducing discretionary spending
- Making and implementing the decision to cease investment in SpaceLink

These steps are intended to improve the cash flow of the Company during 2023.

## 10. REVENUE IN Q4

EOS activities include the sale of products under a small number of large projects. Changes in project timing, and the timing of EOS revenue and cash receipts, can arise due to unplanned changes in circumstances, often outside EOS control. EOS earned revenue and collected cash from customers during the quarter almost exclusively under pre-existing customer contracts.

On 31 October 2022, EOS announced that:

- For customer activity that is secured under contract, revenues in the range of \$100 - 140m were expected to be recognised in the 2022 year.
- The development of new business opportunities and awarding of new contracts was slower than originally expected, and that contracts previously expected to be signed in Q3 and Q4 of 2022 are now expected to be signed in either Q4 of 2022 or in 2023.

During the quarter ended 31 December 2022:

- Some opportunities that were previously expected to be signed and commence delivering revenue in H2 2022 have been delayed by customers. This is due to a range of political, economic and global geopolitical factors, including the impact of Ukraine and ongoing global supply chain issues. These opportunities are now expected to deliver revenue in 2023 and beyond.
- Other new business opportunities emerged and continued to evolve due to a range of political, economic and global geopolitical factors. This particularly includes the conflict in Ukraine, and the Defence Strategic Review in Australia.
- Work to progress these opportunities continued during the quarter, including quote submissions and contract discussions. No material revenue arose from new contract signings during the quarter.
- Delivery against existing contracts continued to be impacted by supply chain constraints and this continued to impact revenue recognised. Despite this, customer activity secured under contract generated revenues in line with expectations.

## 11. SUBSEQUENT EVENTS

Other than the items discussed above, there are no material subsequent events.

## 12. 2022 ANNUAL RESULTS RELEASE

EOS expects to release its Appendix 4E – Preliminary Final Report on or before 28 February 2023. All information included in this announcement is unaudited.

This announcement has been authorised for release to the ASX by the Board of Directors. All amounts are in Australian dollars unless stated.

Further information:

Dr Andreas Schwer

Chief Executive Officer

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## **ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS)**

### **EOS operates in two divisions: Defence Systems and Space Systems**

Defence Systems specialises in technology for weapon systems optimisation and integration, as well as ISR (Intelligence, Surveillance and Reconnaissance) and C4 systems for land warfare. Its key products are next-generation remote weapon systems, vehicle turrets, counter-UAS and C4 systems.

Space Systems includes all EOS space and communications businesses, and operates as two entities – Space Technologies and EM Solutions. Space Technologies specialises in applying EOS-developed optical sensors to detect, track, classify and characterise objects in space and remains integral to research and development across the group. EM Solutions provides global satellite communications services and systems.

## **FORWARD LOOKING STATEMENTS**

This announcement may contain certain "forward-looking statements" including statements regarding EOS' intent, belief or current expectations with respect to EOS' business and operations, market conditions, results of operations, financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position and performance, establishment costs and capital requirements are also forward-looking statements.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This announcement may contain such statements that are subject to risk factors associated with an investment in EOS. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of EOS to be materially different from future results, performances or achievements expressed or implied by such statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement.



## Appendix 4C

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

**Name of entity**

ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

**ABN**

95 092708 364

**Quarter ended ("current quarter")**

31 December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	40,719	144,630
1.2 Payments for		
research and development	(3,756)	(16,146)
product manufacturing and operating costs	(29,478)	(83,327)
advertising and marketing	(804)	(2,336)
leased assets	-	-
staff costs	(15,440)	(58,974)
administration and corporate costs	(4,480)	(25,477)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	270	477
1.5 Interest and other costs of finance paid	(1,169)	(8,040)
1.6 Income taxes paid	-	(1,014)
1.7 Government grants and tax incentives	284	480
1.8 Other (provide details if material)	(25)	254
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(13,879)</b>	<b>(49,473)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(236)	(421)
	(c) property, plant and equipment	(490)	(19,302)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of		
	(a) entities	-	2,576
	(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	Security Deposits	(155)	(11,212)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(881)</b>	<b>(28,359)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	14,620
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	20,312	72,976
3.6	Repayment of borrowings	-	(35,000)
3.7	Transaction costs related to loans and borrowings	(1,165)	(4,104)
3.8	Dividends paid	-	-
3.9	Repayment of lease liabilities	(1,262)	(5,123)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>17,885</b>	<b>43,369</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	16,891	59,261
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(13,879)	(49,473)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(881)	(28,359)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,885	43,369
4.5	Effect of movement in exchange rates on cash held	1,733	(3,049)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>21,749</b>	<b>21,749</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter</b> <b>\$A'000</b>	<b>Previous quarter</b> <b>\$A'000</b>
5.1	Bank balances	21,749	16,891
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>21,749</b>	<b>16,891</b>
<b>Note</b>	<b>Not included in the cash figure above are non-current cash security deposits securing performance bonds, premises and guarantee</b>	<b>35,588</b>	<b>37,213</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b> <b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	287
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

The amounts included in Item 6.1 includes \$175,805 paid to a director who is also an executive, and \$111,016 paid in directors' fees and superannuation to non-executive directors and entities associated with non-executive directors during the quarter.

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

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities-WHSP	72,976	72,976
7.2	Credit standby arrangements	-	-
7.3	Other – Export Finance Australia	74,444	74,105
7.4	<b>Total financing facilities</b>	<b>147,420</b>	<b>147,081</b>
7.5	<b>Unused financing facilities available at quarter end</b>		339
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><b>WHSP Facilities:</b></p> <p><i>Working Capital facility</i></p> <p>On 6 September 2022, the consolidated entity entered into a \$20m 12-month working capital facility with Washington H. Soul Pattinson and Company Limited ('WHSP'). The facility carries interest of 15% per annum and line fees of 4%. This loan is secured by a general security deed which ranks in priority above both the Term loan facility and the Export Finance Australia facility below.</p> <p><i>Term loan facility</i></p> <p>On 12 October 2022, the consolidated entity entered into a \$35m three-year term loan facility with WHSP to refinance an existing facility. The facility carries interest of 22% per annum and line fees of 4% and is secured by a general security deed which ranks <i>pari passu</i> with the Export Finance Australia facility below.</p> <p><i>Additional Working Capital Facility</i></p> <p>On 12 October 2022, the consolidated entity entered into an Additional Working Capital Facility with WHSP. This facility is an 18-month facility for \$15m. The facility carries interest of 15% per annum and line fees of 4%. This loan is secured by a general security deed which ranks in priority above both the Term loan facility and the Export Finance Australia facility below.</p> <p>The above facilities include an early repayment option and a 'make whole' clause.</p> <p>The key terms of each of these facilities were included in the announcement dated 13 October 2022 "EOS enters into New Financing Facilities &amp; continues development of Strategic Growth Options" ("EOS 13 October Announcement").</p> <p>The interest and line fees incurred during the quarter have been capitalised into the outstanding balance and hence are not included in Item 1.5 above.</p>		
7.6	<p><b>Export Finance Australia facility:</b></p> <p>The consolidated entity maintains a performance bond in respect of a contract in Defence Systems of US\$33.3m (A\$49.1m). The performance bond was provided by Export Finance Australia under a Bond Facility Agreement and is secured by a cash security deposit of US\$15.9m (A\$23.4m) and a fixed and floating charge over the assets of the consolidated entity. The costs of this facility are included in Item 1.5 as other costs of finance paid.</p> <p>Under the terms of a contract in Defence Systems, the consolidated entity signed an offset agreement with the relevant overseas Government Authority on 12 February 2021 for an amount of US\$16.9m (A\$25.0m). The offset bond was provided by Export Finance Australia under the same Bond Facility Agreement and is secured by a cash security deposit of US\$7.3m (A\$10.7m) and a fixed and floating charge over the assets of the consolidated entity. The costs of this facility are included in Item 1.5 as other costs of finance paid.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(13,879)
8.2	Cash and cash equivalents at quarter end (item 4.6)	21,749
8.3	Unused finance facilities available at quarter end (item 7.5)	339
8.4	Total available funding (item 8.2 + item 8.3)	22,088
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.6
<p><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></p>		
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?	
	<p>Answer: Yes. The consolidated entity is implementing steps to improve operating cash flow, including a restructuring program, the cessation of investment in SpaceLink, and initiatives to improve cash receipts from customers. This is expected to improve cash flows during 2023.</p>	
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?	
	<p>Answer: Yes. The consolidated entity raised additional borrowings of \$15m during the quarter ended 31 December 2022. The group continues to closely monitor the cash flow outlook for the business and will, if necessary, amend EOS capital structure to support the Program of Change.</p>	
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?	
	<p>Answer: Yes. See the answer outlined at 8.6.1 above.</p>	
<p><i>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.</i></p>		

## 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: 30 January 2023

Authorised by the Board of Directors

**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.