

MARCH 2022 QUARTERLY ACTIVITIES REPORT: RECORD CASH RECEIPTS, FOCUS ON EBITDA BREAK EVEN

Key Highlights

- **Best ever March quarter in Company history** with approx. \$5.142m in cash receipts, approx. 49% above prior corresponding period (pcp)
- **Growth momentum continues** with 12 successive quarters of cash receipts growth vs pcp
- **High-margin recurring revenue segments continue to drive growth up to approx. 78% of total cash receipts (70% in CY 2021)**
- **Strategic acquisition of Stevco Seals & Pumps Victoria Pty Ltd announced during the quarter**, continuing to leverage De.mem's outstanding acquisition track record with all three bolt-on acquisitions since 2019 growing substantially post-acquisition
- **Robust balance sheet** with approx. \$6.7m in cash and term deposits to support strong growth prospects
- **Strong outlook for further growth in CY2022, with focus on recurring revenue segments**
- **Recurring cash receipts of \$16.5 - 19m expected for CY2022, growth of 20 - 38% vs CY2021**
- **Focus shifting towards profitability, with quarterly EBITDA break even expected by H1 2023**

28 April 2022: Industrial water and wastewater treatment company De.mem Limited (ASX: DEM) ("De.mem" or "the Company") is pleased to report strong March Quarter 2022 results.

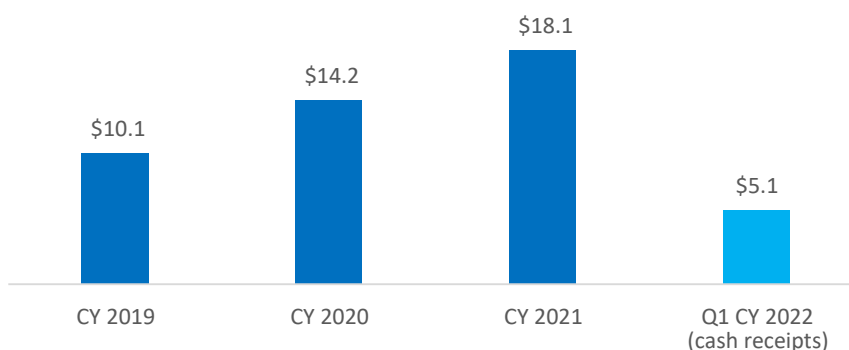
Best March Quarter in Company History - Up By 49% Vs. PCP

De.mem is delighted to report cash receipts of \$5.142m, the Company's highest ever cash receipts in a March Quarter. Cash Receipts are up by approx. 49% vs. \$3.461m in Q1 2021.

With the record cash receipts, De.mem continues its exceptional track record of top line growth. De.mem has now recorded 12 consecutive quarters of cash receipts growth vs. pcp – despite the extremely challenging macroeconomic environment due to the Covid-19 pandemic in CY2020 and 2021. Importantly, margins have also grown in conjunction with the top line revenue growth.

Record March Quarter 2022 cash receipts provide a strong foundation for further significant growth in the full CY2022, given the historical seasonality observed within the Company. The March Quarter typically accounts for approx. 20% of annual cash receipts only (Q1 2021: ~18%; Q1 2020: ~20%).

CHART 1: REVENUE GROWTH SINCE 2019 – STRONG START TO CY2022 (IN A\$ MILLION)



Strong Organic Growth vs. Industry Average

In the March Quarter 2022, De.mem has also delivered strong organic growth well above industry average.

De.mem generated organic growth vs pcip of approx. 23%. This organic growth rate is more than 3x the average annual growth rate of 7% for the overall global water and wastewater treatment market, forecasted for the period from 2021-2028; following a temporary decline of -7% in CY 2020 due to the Covid-19 pandemic (source: *Fortune Business Insights*, “Water and Wastewater Treatment Market Size, Share & Covid-19 Impact Analysis”, published in June 2021).

The organic growth rate is calculated as follows:

- March Quarter 2022 cash receipts of approx. \$5.142m, less the contribution of the recently acquired Capic business (= Capic's pre-acquisition / stand-alone cash receipts of approx. \$0.9m per quarter); divided by
- \$3.461m in cash receipts recorded by De.mem in the March Quarter 2021, which excludes any revenue contribution from Capic as the acquisition was completed on 1 April 2021.

Growth of Recurring Revenue Segments Continues – 78% Recurring Revenue

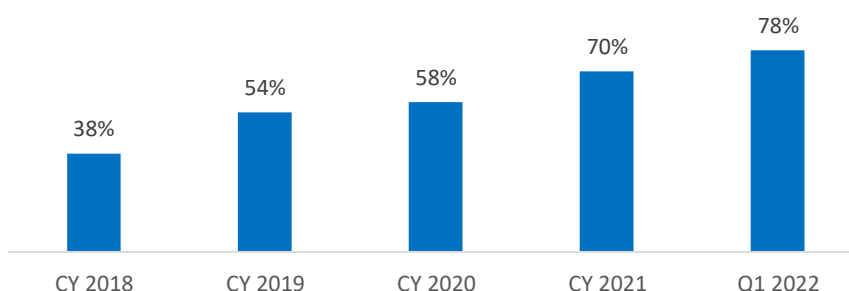
In line with the strategy communicated to the Company's shareholders, growth initiatives remain focused on De.mem's recurring revenue segments.

De.mem has successfully evolved its business model over the past three years, by growing the share of cash receipts from recurring revenue segments vs. total cash receipts generated from 38% in CY 2018 to approx. 70% in CY 2021, and now approx. 78% (\$4.0m) in the March Quarter 2022.

De.mem's recurring revenue is not only very predictable, importantly it generates gross margins above the industry average, and recurring revenue growth has been driving gross margin growth for the Company (gross margin up from 17% in CY 2017 to 34% in CY 2021).

The strategy results in a high-quality revenue/business model, which is unique within the water treatment industry. It results in long-term, stable customer relationships, which provide a strong opportunity for cross selling of other De.mem products.

CHART 2: RECURRING CASH RECEIPTS VS. TOTAL CASH RECEIPTS



Recurring revenues segments include:

- Build, Own, Operate (“BOO”) and Operations & Maintenance (“O&M”) contracts.
- As well as revenues related to goods and services which are essential to the operations of our client's water and wastewater treatment facilities and recurring in nature, these include:
- Regular maintenance work on water treatment equipment.
 - Membrane replacement sales into existing facilities.
 - Specialty chemicals sales.
 - Sales of pumps and related services.
 - Sales of small equipment and consumables.

While the Company's recurring revenue segments generate repeat orders, some minor seasonality may apply in between individual quarters subject to, for example, the timing/receipt of single payments, payment terms with individual customers and/or holiday periods.

Zero Churn in the BOO and O&M Segments

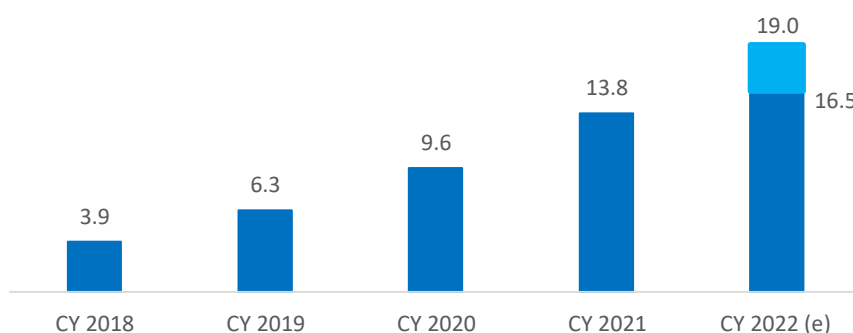
De.mem is pleased to advise that it has never lost a material contract with respect to its BOO and O&M agreements since the Company's inception to a competitor (material contract defined as annual revenues above \$100k). The Company's BOO and O&M business currently generates approx. \$4 million in revenues per annum, including the sales of consumables to the respective client sites.

These respective segments due to their stickiness and high predictability in revenues are thus a key focus point for the Company moving forward.

De.mem Forecasts \$16.5-19m in Recurring Cash Receipts and/or Revenues in CY 2022

For CY2022, De.mem forecasts recurring cash receipts and/or revenues of \$16.5 - 19m, resulting in a growth rate between 20% - 38% vs. CY2021. Chart 3 illustrates the strong growth of cash receipts from recurring revenue segments since 2018.

CHART 3: RECURRING CASH RECEIPTS IN A\$ MILLION



Reduced EBITDA loss in Q1 2022

For the reporting quarter Q1 2022, the Company reports an underlying EBITDA loss of approx. -\$470,000 (unaudited; prior to share based payments and business acquisition cost). This is an approx. 15% reduction to the underlying EBITDA loss of -\$550,000 per quarter recorded on average during CY2021 (calculated as the underlying EBITDA loss in CY2021 of -\$2.2m divided by 4 quarters; see the Director's Report within the Annual Report for CY2021, lodged to the ASX on 28 February 2022, for the detailed calculation of the underlying EBITDA).

Net operating cash outflows of approx. -\$916,000 during the quarter exclude late customer payments received after the end of the quarter, in early April, of approx. \$450,000. Adjusting for the late payment the net operating cash outflows would have been approx. -\$465,000. Outgoing payments to suppliers for the respective projects were already made prior 31 March and are included in line 1.2b in the Appendix 4C. Cash outflows also include payments made during the quarter for annual insurance and audit fees (approx. \$100,000), which are included in line 1.2f.

Strategic Focus Shifting Towards Profitability With Clear Pathway to Break Even

The strategic focus of De.mem will now shift towards achieving EBITDA break even. Based on the current Company structure and strategy, EBITDA break-even is expected to occur at approx. \$26m in revenues.

De.mem advises that further substantial improvements in EBITDA are expected for H2 2022 with the addition of two important previously announced BOO contracts beginning to generate revenue. The Company expects to achieve EBITDA quarterly break even by H1 2023. Operating cash flows are expected to converge towards the EBITDA over the coming quarters.

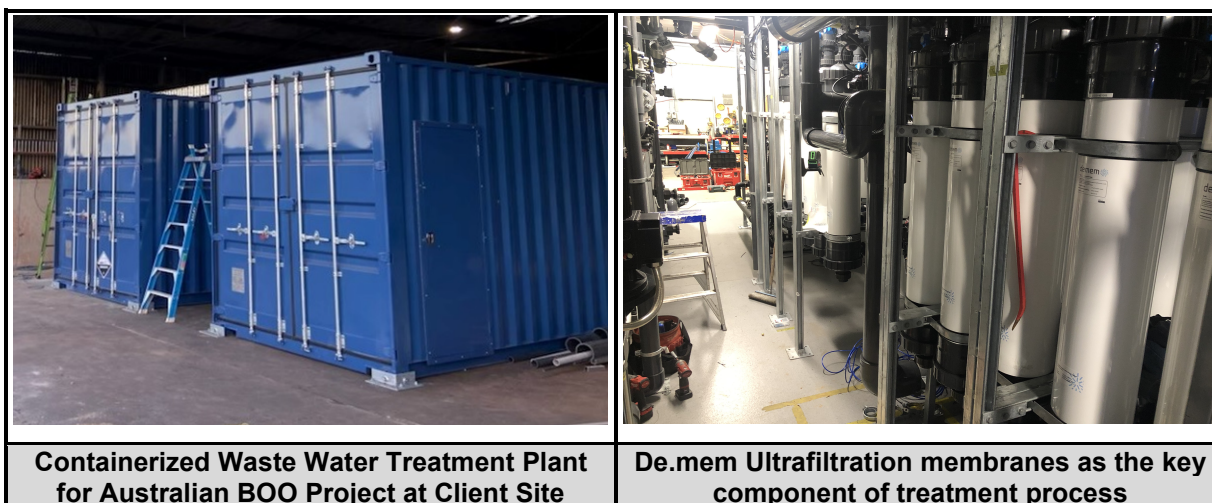
De.mem has a strong cash balance of approx. \$6.4m plus an additional \$0.3m in term deposits as at 31 March 2022, which supports the prospects for future growth as it enables the Company to provide larger Build, Own, Operate ("BOO") contracts to its enterprise level clients.

Two Important BOO/BOOT Contracts Near Commissioning

During the quarter, De.mem has been progressing with the manufacturing of a waste water treatment plant under a Build, Own, Operate and Transfer (“BOOT”) contract which was announced to the ASX on 15 September 2021 (see ASX release, “[New contracts in move to service-based business model](#)”). The water treatment plant has been shipped to the customer site in late March. This contract is worth approx. \$400,000 in revenues per annum and is expected to generate cash receipts beginning from the end of the June Quarter 2022. The system incorporates De.mem’s Ultrafiltration membrane technology as the key treatment process.

Another important Build, Own, Monitor & Transfer contract with the Selwyn Snow Resort in New South Wales, Australia, is in the final stage of manufacturing and expected to be shipped to site in June. The contract has a term of 5 years with a total value of approx. \$1,000,000 in revenues. Detailed information about the contract can be found in the ASX release dated 8 December 2021, “[First water treatment contract with Australian snow resort](#)”. It marks De.mem’s first contract ever with a snow or ski resort.

Both contracts are expected to start generating revenues/cash receipts from the end of the June 2022 quarter onwards, which will contribute to De.mem’s revenues and margins from the 2nd half of the CY2022.



Further Orders Received During the Quarter Underpin Growing Pipeline

During the quarter, the Company received further important orders:

- The award of a framework service agreement related to the servicing of pumping stations by a client from the Australian East Coast. The actual work will be based on individual orders received under the agreement and is expected to be worth in between \$100,000 and \$200,000 in revenues per annum.
- Purchase orders for water treatment infrastructure upgrades worth approx. \$180,000 by an existing customer from Queensland.
- Purchase orders for the supply of specialty chemicals worth approx. \$150,000 to a customer from the lithium mining industry in Western Australia.

Build, Own, Operate with Industrial Clients as Unique Service Offering

Under a Build, Own, Operate (“BOO”) scheme, De.mem rents out water treatment equipment, typically based on the Company’s proprietary membrane technology as the key technological feature, to a client. Following the commissioning of the plant, De.mem then operates and maintains the equipment on behalf of the client, also providing all required replacement membranes, chemicals and consumables.

The BOO contracts typically come with a fixed term of several years. The offering enables the Company to generate stable, recurring revenues streams from a reputable client base, and to build strong customer relationships.

The BOO offering combines De.mem's extended range of capabilities, from its advanced, proprietary membrane technology to the provision of operations & maintenance services and the supply of in-house Australian-manufactured anti-scalants and other chemicals required during operations of membrane-based water treatment plants.

BOO services require some upfront capital to finance equipment leasing. The projects can be funded through the issuance of debt instruments.

De.mem is pleased to advise that it has never lost a material contract with respect to its BOO and O&M agreements since the Company's inception to a competitor (material contract defined as annual revenues above \$100k).

World Leading Membrane Technology Provides Strong Competitive Advantage with Development of Next-Gen Graphene Oxide Membrane Progressing

De.mem has a unique competitive advantage of proprietary and/or patented technology, underpinning the Company's unique portfolio of hollow fibre Microfiltration, Ultrafiltration and Nanofiltration membranes. The Company commercializes its membranes as the key component of its integrated water and wastewater treatment systems or its Build, Own, Operate and service contracts, and in combination with the Company's wide range of specialty chemicals, pumps and consumables that are typically required by clients during operations of membrane based water treatment plants.

On 7 September 2021, De.mem presented its "next-gen" membrane technology, based on Graphene Oxide ("GO") enhanced polymer membranes, with substantially improved membrane characteristics such as 20-40% higher water flux (throughput), leading to significantly reduced operating cost for the water treatment process.

During the quarter, De.mem has initiated a process to obtain approval for use of the new technology for potable water treatment applications by the NSF (National Sanitation Foundation, the American regulator for drinking water related products). De.mem intends to launch this membrane initially into domestic point-of-use and point-of-entry water purification applications, which is estimated to be a US\$82.6bn global market by 2027 (*source: Market Research Future, study on the Water Purifier Market, May 2021*). The launch of the technology into the industrial market will be following.

Acquisition of Stevco Provides Strong Basis for Cross Selling into Victorian Customers

On 22 March 2022, De.mem announced its acquisition of Stevco Seals & Pumps Victoria Pty Ltd ("Stevco").

Established in and operating since 2004, Stevco is a well-known supplier of pumps, small water treatment equipment and related operations & maintenance services to industrial and municipal clients in Victoria. Stevco has a reputation of supplying highest quality products and services.

Stevco's long-term customer base includes leading industrial players from the food & beverage, agricultural and heavy industrial sectors, as well as a number of municipalities in Victoria.

Stevco generated approx. \$2.3 million in annual revenues during the past 3 business years (on average) prior to the transaction. It generated approx. \$330,000 in normalized EBITDA (adjusted for one-off items). Revenues are largely recurring and a significant percentage is generated from the rendering of operations & maintenance services.

De.mem paid \$1.25m in cash plus \$250,000 in DEM shares for 100% in Stevco's shares, which values the transaction at approx. 4.5x EBITDA.

The key rationale for the transaction is as follows:

- Stevco brings an extensive, well-established industrial customer base in Victoria into De.mem group
- Substantial opportunity to cross-sell De.mem's wider product range and advanced membrane technology into Stevco's customer base
- Strong operational synergies between Stevco and the De.mem-Pumptech business in Tasmania
- Completion of De.mem group's Australian-wide footprint with nationwide service & support capability

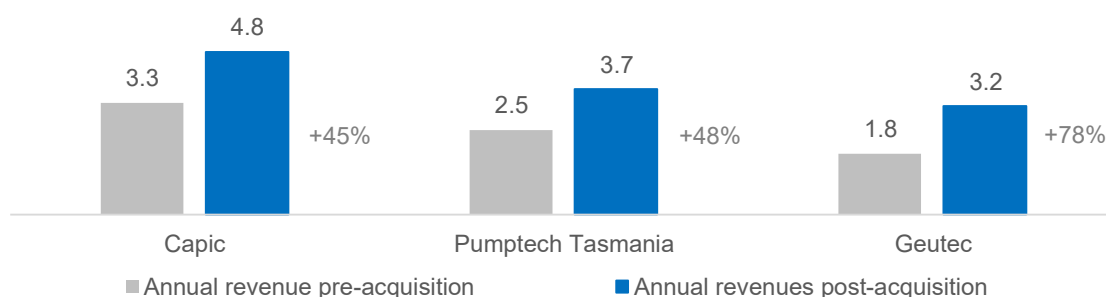
- Recurring revenue focus as large part of revenues generated from operations & maintenance services
- Profitable business with approx. \$330,000 in normalized EBITDA per annum generated
- Accretive and well-priced acquisition
- Stevco founders will join De.mem management team
- Integration of Stevco will add further to De.mem's move towards EBITDA break even

Stevco Acquisition Follows Track Record of Bolt-On Acquisitions With Substantial Post-Acquisition Growth

Prior to the transaction with Stevco, De.mem acquired three companies since 2019. All three companies acquired generate stable, recurring revenues from a long-term industrial customer base, in line with the Company's strategy to focus its expansion on the recurring revenue segments. All three companies have achieved significant growth since the acquisition, in spite of the challenging environment due to Covid-19.

This growth was driven by the introduction of De.mem's wider "one-stop shop" product range to the acquired companies' customers and new sales team investment generating substantial cross-sell and up-sell growth. Further details are provided in Chart 4 below.

CHART 4: PERFORMANCE OF ACQUISITIONS SINCE PURCHASE



- De.mem-Capic (formerly known as Capic) generated approx. \$4.8 million in revenue during the 12-month period ended on 31 March 2022, since the acquisition on 1 April 2021, which is approx. 45% above the average annual revenue of Capic prior to the acquisition (\$3.3 million);
- De.mem-Pumptech Pty Ltd (formerly known as Pumptech Tasmania Pty Ltd) recorded approx. \$3.7 million in revenue during 2021, which is approx. 48% above the annual revenue of Pumptech Tasmania Pty Ltd prior to the acquisition (\$2.5 million);
- De.mem-Geutec GmbH (formerly known as Geutec Industrie- und Abwassertechnik GmbH) recorded revenues of approx. \$3.2 million in 2021, which is approx. 78% above the annual revenue of Geutec prior to the acquisition (\$1.8 million).

De.mem has built a track record of successful and well-integrated acquisitions, by achieving substantial post-acquisition revenue growth in particular through cross-selling and offering its wider product range around its innovative membrane technology.

ESG Impact

With its core business model focusing on the re-use and recycling of industrial wastewater, De.mem is fulfilling an important environmental and social mission.

During the March 2022 quarter, De.mem treated a total of approx. 550 million liters of water under industrial BOO and O&M contracts, across 15 sites in Australia and Singapore (roughly equivalent to the amount of water contained in ~220 Olympic sized swimming pools). The large majority of De.mem's contracts relate to the treatment of wastewater to a sufficient quality which exceeds regulatory discharge standards, whereby it is deemed sufficiently safe to release the treated water into the environment.

De.mem's treatment systems facilitate the deployment of a membrane-based process, this process not only utilises relatively lower power consumption, but also meaningfully reduces usage of bulk and other harmful chemicals (only small amounts of high value specialty chemicals are required).

There were no breaches of any environmental (EPA, Environmental Protection Agency) standards or regulations reported during the quarter.

CEO Commentary

De.mem Chief Executive Officer Andreas Kroell said:

"I am delighted to report the best ever March quarter cash receipts of our Company, approx. 49% above pcp. This continues the outstanding revenue growth which our Company has achieved in recent years.

With our strategic focus on our high margin recurring revenue segments, which are now contributing more than three quarters of our overall revenues, we have significantly enhanced the quality of our revenue and business model.

We are convinced that the recently announced Stevco acquisition will continue our outstanding track record of small, bolt-on acquisitions. All three acquisitions completed by our company since 2019 have achieved outstanding growth rates thanks to the successful cross-selling of our wider product range and compelling membrane technology.

We expect the growth to continue, with an ongoing focus on our recurring revenue segments. Our strategy is now shifting towards achieving sustainable EBITDA break even. Both the integration of Stevco and the upcoming commissioning of two important BOO contracts in the coming quarter will contribute to a strong 2nd half of the Calendar Year.

We look forward to delivering for our customers and shareholders in 2022."

Payments to related parties included in Appendix 4C

The payments to related parties of De.mem disclosed in item 6.1 of the Appendix 4C for the quarter, accompanying this quarterly activities report, were payments of directors' fees and salaries.

This release was authorized by the Company's CEO, Andreas Kroell, on behalf of the Board.

-ENDS-

For further information, please contact:

Andreas Kroell

CEO, De.mem Limited

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+61 (0) 75428 3265

De.mem Limited (ASX:DEM) is an Australian-Singaporean decentralised water and wastewater treatment business that designs, builds, owns and operates turnkey water and wastewater treatment systems for some of the world's largest companies in the mining, electronics, chemical, oil & gas, and food & beverage industries. Its systems also provide municipalities, residential developments and hotels/resorts across the Asia Pacific with a reliable supply of clean drinking water.

De.mem's technology to treat water and wastewater is among the most advanced globally. The Company has commercialised an array of innovative proprietary technologies from its research and development partner, Nanyang Technological University (NTU) in Singapore, a world leader in membrane and water research. Technologies exclusively licensed from NTU include a revolutionary low-pressure hollow fibre nanofiltration membrane that uses less electricity and is cheaper to operate than conventional systems, as well as a new Forward Osmosis membrane deployed in de-watering applications or the concentration of liquids.

To learn more, please visit: www.demembranes.com

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of De.mem Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

Appendix 4C

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

Name of entity

De.mem Limited

ABN

12 614 756 642

Quarter ended ("current quarter")

31 March 2022

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		5,142	5,142
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(3,542)	(3,542)
(c) advertising and marketing		(13)	(13)
(d) leased assets		-	-
(e) staff costs		(1,827)	(1,827)
(f) administration and corporate costs		(675)	(675)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		(26)	(26)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		25	25
1.9 Net cash from / (used in) operating activities		(916)	(916)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(g) entities		-	-
(h) businesses		(316)	(316)
(i) property, plant and equipment		(731)	(731)
(j) investments		-	-
(k) intellectual property		(71)	(71)
(l) other non-current assets		-	-

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	(9)	(9)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,127)	(1,127)

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	-	-
3.6	Repayment of borrowings	(6)	(6)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(130)	(130)
3.10	Net cash from / (used in) financing activities	(136)	(136)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,600	8,600
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(916)	(916)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,127)	(1,127)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(136)	(136)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(25)	(25)
4.6	Cash and cash equivalents at end of period	6,396	6,396

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	3,006	3,970
5.2	Call deposits	3,536	4,630
5.3	Bank overdrafts	(146)	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,396	8,600

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	(99)
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 <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	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Bank overdraft	200	(146)
7.4	Total financing facilities	200	(146)
7.5	Unused financing facilities available at quarter end		54
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.		
	Standard bank overdraft account held with ANZ Bank		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(916)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,396
8.3	Unused finance facilities available at quarter end (item 7.5)	54
8.4	Total available funding (item 8.2 + item 8.3)	6,450
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7
<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?	
	N/A	
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?	
	N/A	
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?	
	N/A	
<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>		

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: 28 April 2022

Authorised by: Andreas Kroell
Chief Executive Officer

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.