



DRONESHIELD

Quarterly Report

For the Quarter Ended
31 December 2018



Image: DroneShield's DroneGun Tactical™

DroneShield Limited (ASX:DRO)

ASX Release

ABN 26 608 915 859

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") is pleased to provide the following update on its activities during the three-month period ended 31 December 2018 and its Appendix 4C quarterly cash flow report for the same period.

Key Developments

DroneShield made significant progress in the quarter to 31 December 2018, with a substantial increase in activity across its channels globally, and the drone security issues coming to the fore both for the general public and a range of decision-makers globally.

DroneShield believes that, due to the events at the Gatwick Airport in the UK, December was a watershed month for the counterdrone industry.

- In December, multiple drone sightings forced the shutdown of Gatwick, UK's second busiest airport, for 48 hours (and then an additional subsequent closing), just days before Christmas. During the incident, labelled as economic terrorism, approximately 150,000 passengers were left stranded at the airport. The British Army was called in to assist, however they were unable to use traditional kinetic weapons to stop the drones due to low visibility and the potential collateral damage to travelers and infrastructure. Police have been unable to track who carried out the attack.
- The Gatwick events, causing tens if not hundreds of millions of dollars in economic damage, have resulted in renewed calls for governments and civil infrastructure operators to invest in effective, non-kinetic counter-drone measures. Experts believe criminal and terrorist groups will carry out similar attacks soon, as a clear vulnerability has been identified.
- DroneShield experienced a substantial increase in inbound governmental and corporate queries during, and following, the Gatwick events.

The global recognition of the need for drone detection and mitigation, and the acceleration in the rate of adoption of anti-drone technologies, were reflected in DroneShield's financial performance both during the 31 December 2018 quarter, and subsequently to the end of the quarter, during January 2019, prior to the date of this report. Specifically:

- ✓ ***DroneShield generated total customer cash inflows of \$489,209 during the 31 December 2018 quarter, the highest quarterly cash inflows for the Company to date.***
- ✓ ***DroneShield's total customer cash receipts for the calendar 2018 were \$1,252,123.***
- ✓ ***DroneShield's cash receipts for the first three weeks of January 2019 were \$728,628. In other words, following the Gatwick events, in the first three weeks of the 2019 calendar year, DroneShield received approximately 50% more in cash from its customers than it did during the entire previous quarter.***

Other key developments to the date of this report include the following.

Sales and Marketing

- In October, DroneShield received an order for DroneSentry™ and DroneGun Tactical™, for use by a Central American government security agency. This was the first DroneSentry™ and DroneGun Tactical™ sale in the region, coming within weeks of an attempted drone attack on Venezuela's head of state. The order was the subject of a U.S. regulatory approval, and that approval was obtained within the standard timeframes during the quarter. Not every DroneShield sale requires regulatory approval but to date, every DroneShield sale for which regulatory approval was sought has been approved by the applicable regulators.



Image: DroneGun Tactical™ evaluated by a South American military

- Also in October, DroneShield received and delivered an order for several DroneGuns™ for use by a major Asian governmental security agency.
- Also in October, DroneShield received and delivered an order for several DroneGuns™ for use by a Western governmental law enforcement agency.
- In November, the Company announced an addition of several key distribution partners for the United States market, including TSSi and W.S. Darley & Co. Both partners are a part of the U.S. Government's Defense Logistics Agency's Tailored Logistics Support ("DLA TLS") Program. The DLA TLS Program, administered by DLA Troop Support, provides authorised U.S. Department of Defense, Federal Government and other approved Federally-funded agency customers, both in the continental United States (CONUS) and outside of the continental United States (OCONUS), with a fast, simple procurement option to allocate their Military Interdepartmental Purchase Request / Military Standard Requisitioning & Issue Procedure (MIPR/MILSTRIP) funds. The DLA TLS Program enables the U.S. Government to purchase items such as DroneShield's products without a requirement for a public tender. Only six organisations (of which TSSi and W.S. Darley & Co are two) in the United States currently have access to the DLA TLS Program (and these are commonly referred to as "super-distributors" in the industry). Products are required to be in leadership positions in their respective product categories to be granted access into the DLA TLS distributor catalogues.



Image: Distributor training session at DroneShield's Warrenton, Virginia facility

- Also in November, DroneShield's CEO Oleg Vornik presented at the Unmanned Aircraft Systems East For Defense & Government Conference in Arlington, Virginia. The speakers included a range of U.S. governmental decision-makers, including the Chief of the United States Air Force Intelligence Systems Division. Mr. Vornik was the sole speaker focusing on counter-drone activities at the conference.

- Also in November, DroneShield was invited to participate in the Autonomous Warrior 2018 exercise in the United Kingdom and provided its DroneSentinel™ drone detection system to the British Army as a rapidly deployable, counterdrone system to enable troops to detect and defend against hostile drones.
- Against the backdrop of the Gatwick Airport events, in December, DroneShield announced a key strategic relationship in Europe. It entered into a teaming agreement with Thales Programas De Electronica Y Comunicaciones S.A.U. ("Thales") (a Spanish subsidiary of Thales S.A.), whereby Thales will utilise and promote DroneShield's products in its defence and security contract bids in Spain involving counterdrone aspects. Thales S.A. (ENXTPA:HO) is one of the largest defence companies globally, with 65,000 employees, operations in 56 countries and a market capitalisation of approximately €15.8 billion. Thales in Spain combines its technology with the experience of 1,200 professionals distributed in 11 work centers in Spain, one in Turkey and one in Egypt.
- Also in December, DroneShield announced a key strategic relationship in the Middle East. It entered into a teaming agreement with Zain Group (KWSE:ZAIN), a leading Middle Eastern mobile and data services operator headquartered in Kuwait, with substantial operations across a number of Middle Eastern countries, a workforce of over 6,000, over 47 million active individual, business and governmental customers, and a market capitalisation of approximately US\$7 billion.
- Both Thales and Zain immediately purchased DroneShield products as part of their agreements with DroneShield.
- DroneShield continued co-operation and other corporate discussions with multiple corporate counterparties, including large global defence and security companies.
- Also in December, DroneShield disclosed an evaluation of its products by the U.S. Department of Defense (the "DoD"). This evaluation follows the DoD having allocated US\$1.5 billion towards counter-drone acquisitions in 2019. Very few companies in the counterdrone industry have progressed to products that work and have been proven in a range of environments, against a range of drones, with multiple governmental users, at an acceptable cost. DroneShield is one of the very few such companies.
- The Asymmetric Warfare Group at Fort A.P. Hill, Virginia evaluated DroneShield's products DroneSentry™ and DroneGun Tactical™ at an event facilitated by the Army Night Vision Electronic Sensors Directorate (NVESD) Unique Mission Cell (UMC). DroneShield's successful deployment at that event included:
 - participation in seven experimental scenarios,
 - detection and tracking of multiple UAVs (unmanned aerial vehicles) via combined radiofrequency (RF) and radar detection of DroneShield's DroneSentry™ platform,
 - provision of real-time battlefield intelligence of mock-threat drones to fielded experimental participants through TAK/ATAK integration (ATAK, or Android Tactical Assault Kit, is a major software platform used by the U.S. military), and
 - enabling the "Blue Force" (friendly forces) command to negate mock-threat drones through the use of our DroneGun Tactical™ and DroneCannon™ systems.
- In Australia, the Government added DroneShield's products to the 2019 Australian Military Sales



Image: DroneShield's DroneSentinel™

Catalogue, maintained by AMS (Australian Military Sales), a Directorate within the Australian Government's Defence's Capability Acquisition and Sustainment Group. The Catalogue is focused on promoting Australian defence products to overseas acquirers.

- During and subsequent to the quarter, DroneShield released three videos on the company and its products:
 - a [corporate video](#),
 - a [DroneGun Tactical™ video](#), and
 - a [DroneNode™ video](#).



Link: DroneShield corporate video

Products

- DroneShield announced a release of two new products during the quarter - DroneNode™ (a portable covert drone disruptor "in a briefcase") and DroneCannon RW™ (a drone disruptor for Remote Weapon Stations, i.e. for remotely operated weaponised systems, equipped with primary kinetic weapon such as a light or medium caliber machine gun, installed on ground combat vehicle, sea or air based combat platform, or on a ground based turret), in response to end-user requirements.



Image: DroneNode™



Image: DroneCannon RW™

Staffing

- The Company promoted its Sydney based Vice-President of Product Design Angus Bean to the position of its global Chief Technology Officer. Mr. Bean has been with the Company since 2016 in various engineering and product design roles, and has been instrumental to the rollout of a number of several of the Company's products. Earlier this year, Mr. Bean was awarded the 2018 Australian Industry Defence Network New South Wales Young Achiever Award and the 2018 Young Innovator Award at Industry Innovation Awards at the LAND FORCES expo in Adelaide.



Image: DroneShield CTO Angus Bean

- DroneShield also welcomed Dan Stamm into the US-based position of Chief Commercial Officer of its US subsidiary. Mr. Stamm is approaching two decades in the defence industry. Starting his career as a mechanical engineer, he has excelled in defence technology development as he progressed through the roles of senior systems engineer, project manager, and program director at some of the United States' most renowned defence contractors. Mr. Stamm is a leading expert in counterdrone (C-UAS) systems, technologies, and products. He has been working in this field for more than five years and helped to define the commercial unmanned aerial system countermeasure market. He has been engaged in all aspects of C-UAS technology ranging from concept creation to program management through business development. Mr. Stamm has had the honor of working closely with some of the U.S.'s most elite soldiers, sailors, airmen, and marines through his work in the defence industry. He is a holder of four patents and has worked extensively on sophisticated and classified defence technology. He holds a Bachelor of Science degree from the Ohio State University and an MBA from Ohio University.



Image: DroneShield LLC CCO Dan Stamm

Press Coverage

- DroneShield continued to appear frequently in the news. Among the many press reports on DroneShield were the following:
 - Australia's DroneShield offers hope after London's Gatwick Airport chaos¹

¹ <https://www.afr.com/news/world/europe/australias-droneshield-offers-hope-after-londons-gatwick-airport-chaos-20181221-h19d6f>

- Australian company says it could solve Gatwick Airport's drone crisis²
- DroneShield teams with Thales³
- Zain Drone enters into agreement with worldwide leader DroneShield⁴
- Why the DroneShield share price went ballistic this December⁵
- DroneShield's DroneGun Under Evaluation by the United States DoD⁶
- Presidents everywhere will thank DroneShield for its latest drone killing device⁷
- DroneShield Adds Key U.S. Distribution Partners⁸
- DroneShield Ltd Joins Border Security Technology Consortium⁹
- DroneShield participates in the British Military exercise¹⁰
- DroneShield Develops Counter-Drone Jamming Device¹¹
- DroneShield U.S. Regulator Approves Order for Central American Security Agency¹²



Video: ABC interview with DroneShield chairman Peter James

Environment

The awareness of the drone threat by governments and corporates around the world continues to rapidly increase, with a corresponding focus on budgets for drone mitigation – DroneShield's core business.

Drones and the dangers they pose continued to make headlines this recent quarter. Decision makers from various nations and government agencies continued to increase their focus on drone regulation and countermeasures.

² <https://www.smh.com.au/world/europe/australian-company-says-they-could-solve-gatwick-airport-s-drone-crisis-20181220-p50nkg.html>

³ <https://www.suasnews.com/2018/12/droneshield-teams-with-thales/>

⁴ <http://news.kuwaittimes.net/website/zain-drone-enters-into-agreement-with-worldwide-leader-droneshield/>

⁵ <https://www.fool.com.au/2018/12/28/why-the-droneshield-share-price-went-ballistic-this-december/>

⁶ <https://dronebelow.com/2018/12/10/droneshields-dronegun-under-evaluation-by-the-united-states-dod/>

⁷ <https://stockhead.com.au/tech/presidents-everywhere-will-thank-droneshield-for-its-latest-drone-killing-device/>

⁸ [https://www.abnnewswire.net/amp/en/95307/DroneShield-Ltd-\(ASX-DRO\)-DroneShield-Adds-Key-US-Distribution-Partners.html](https://www.abnnewswire.net/amp/en/95307/DroneShield-Ltd-(ASX-DRO)-DroneShield-Adds-Key-US-Distribution-Partners.html)

⁹ <https://menafn.com/1097568000/DroneShield-Ltd-ASXDRO-Joins-Border-Security-Technology-Consortium>

¹⁰ <https://www.geospatialworld.net/news/droneshield-participates-in-the-british-military-exercise/>

¹¹ <https://i-hls.com/archives/86621>

¹² <https://www.suasnews.com/2018/12/droneshield-u-s-regulator-approves-order-for-central-american-security-agency/>



Image: Gatwick airport shuts down for 48 hours following repeated drone sightings

- Drones continue to threaten militaries and public infrastructure. Governments around the world have begun acknowledging that cheap consumer drones provide terrorist and criminal groups with a powerful and inexpensive avenue to mount explosives or conduct surveillance:
 - ISIS-affiliated media group circulated a poster depicting a drone armed with explosives attacking the Eiffel Tower in Paris.
 - Two people were arrested in Copenhagen for supplying drones to ISIS for use in combat.
 - The US Military Academy (also known as West Point) issued a global alert about ISIS' drone weaponisation activities, which they believe have reached an advanced stage.
 - President Trump signed the FAA Reauthorization Act, which allows US authorities to shoot down private drones which threaten security without a warrant.
 - The Secretary of the Indian Department of Defence declared that drone threats will be a major challenge for their military in the future.
 - A new law was introduced in the US which imposes a fine for drone pilots who use the drones to spy on or endanger the wellbeing of others.
 - Councils in the UK have introduced policies banning the flying of drones in recreational areas.
- Stories relating to the use of drones to smuggle drugs, weapons and cell phones into prisons and across state lines were frequently in the media:
 - 15 people were sentenced for being part of a gang which used drones to smuggle half a million pounds worth of drugs into UK prisons across 55 drops.
 - Police in Israel thwarted an attempt to use drones to smuggle cell phones into a high security prison.
 - Two Australian men who used drones to smuggle contraband into a Queensland prison were sentenced to 18 months prison.
 - A Canadian prison called for the government to implement drone detection systems, after illegal drugs, believed to be delivered by drones, were confiscated from inmates.
 - Fifty-foot-high nets are being erected at prisons in Tennessee in an attempt to stem the flow of cell phones being delivered by drone.
 - A woman and her daughter used an inexpensive consumer drone to smuggle contraband into a prison in Florida.
 - A notorious hacker was charged with orchestrating a drone-smuggling ring from jail.



Image: Two men sentenced for involvement in UK prison drone gang

- Drones being flown near commercial aircraft have continued to disrupt operations at airports around the world, and close calls and collisions between drones and aircraft continue to rise, with the Gatwick events most prominent but by no means an isolated incident. Airports, police, fire fighters and paramedics have all expressed concern:
 - Drone sightings near Auckland Airport in New Zealand forced five planes into an extended holding pattern and led to the diversion of an international flight.
 - A passenger jet with 126 people on board came within 50 feet of colliding with a drone over built-up London airspace.
 - A firefighting helicopter in Australia was grounded by a consumer drone.
 - A drone came within 20 meters of a plane carrying over 100 passengers taking off from Zurich Airport, which officials classified as a serious incident.
 - A man was prosecuted under new UK drone laws for flying his drone underneath a police helicopter trying to find a missing person.
 - Drones interrupted firefighting operations during the destructive Wooley wildfires.
 - A UK RAF Tornado Jet traveling at 823 km/h came within 22m of hitting a farm drone.
 - A drone flying over the Las Vegas strip put the pilots and passengers of helicopter tours at risk, prompting an FAA investigation.
 - A rescue helicopter in New Zealand flying at an altitude of 400 meters came within 10 meters of a drone, forcing the pilot to take immediate evasive action.
 - The number of drone incidents near airports in New Zealand increased to a record 420 in 2018, more than doubling since 2016.



Image: Tasmanian fire rescue helicopters at Bruny Island ceasing firebombing due to the drone flying nearby

Please see <https://www.droneshield.com/press-coverage> and <https://twitter.com/DroneShield> for more information.

Other

Performance Shares

As at 31 December 2018, 30,000,000 Performance Shares are on issue.

No performance share vesting or conversion milestones were met during the period, and no performance shares were redeemed during the period.

	Performance Shares on issue at start of period (A) ¹³	Performance Shares converted to DRO shares during the period (B)	Performance Shares expired during the period (C)	Performance Shares on issue at end of period (A)-(B)-(C)
Class B ¹⁴	15,000,000	0	0	15,000,000
Class C ¹⁵	15,000,000	0	0	15,000,000
Total	30,000,000	0	0	30,000,000

¹³ Performance Shares were issued to all pre-IPO shareholders at the time of the IPO.

¹⁴ Each Class B Performance Share will vest into one fully paid ordinary share upon the Company achieving, in relation to its technology, \$7,000,000 of cumulative revenue or \$2,500,000 of annual revenue in any given twelve month period, within 36 months of the date the Company is admitted to the Official List (Class B Milestone).

¹⁵ Each Class C Performance Share will vest into one fully paid ordinary share upon the Company achieving, in relation to its technology, \$3,000,000 of cumulative earnings before interest and taxes (EBIT) or \$1,000,000 of annual EBIT in any given financial year, within 36 months of the date the Company is admitted to the Official List (Class C Milestone).

Cash Balance

As at 31 December 2018, DroneShield had a combined cash balance of \$1,229,499 as outlined in the accompanying Appendix 4C.

On 8 November 2018, DroneShield successfully completed a \$1,696,900 Share Purchase Plan and placement, significantly oversubscribed from the \$750,000 capital raising target.

During the quarter, the Company announced that it secured a \$1,885,000 non-convertible credit facility. No funds have been drawn down under the facility.

Further Information

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About DroneShield Limited

Based in Sydney, Australia and Virginia, USA, DroneShield is a worldwide leader in drone security technology. The Company has developed the pre-eminent drone security solution that protects people, organisations and critical infrastructure from intrusion from drones. Its leadership brings world-class expertise in engineering and physics, combined with deep experience in defence and intelligence.

ENDS

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

DRONESHIELD LIMITED

ABN

26 608 915 859

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A	Year to date \$A¹⁶
1. Cash flows from operating activities		
1.1 Receipts from customers	489,209	1,252,123
1.2 Payments for		
(a) research and development	21,433	(528,495)
(b) product manufacturing and operating costs	(316,102)	(726,872)
(c) advertising and marketing	(189,247)	(460,371)
(d) leased assets	-	-
(e) staff costs	(597,808)	(2,344,786)
(f) administration and corporate costs	(495,517)	(2,201,047)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2,655	30,603
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	505,867
1.8 Other (provide details if material)	-	52,690
1.9 Net cash from / (used in) operating activities	(1,085,377)	(4,420,288)

¹⁶ Covers 12 months period over 1 Jan 2018 – 31 Dec 2018

Consolidated statement of cash flows		Current quarter \$A	Year to date \$A ¹⁶
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment ¹⁷	(221,100)	(1,059,704)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(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	(221,100)	(1,059,704)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,696,900	4,251,801
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	306,711
3.4	Transaction costs related to issues of shares, convertible notes or options	(6,534)	(163,376)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,690,366	4,395,136

¹⁷ Primarily associated with DroneCannon™, DroneSentry™, DroneNode™ and DroneSentinel™ development.

Consolidated statement of cash flows		Current quarter \$A	Year to date \$A ¹⁶
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	855,428	2,362,894
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,085,377)	(4,420,288)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(221,100)	(1,059,704)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,690,366	4,395,136
4.5	Effect of movement in exchange rates on cash held	(9,818)	(48,539)
4.6	Cash and cash equivalents at end of quarter	1,229,499	1,229,499

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	Previous quarter \$A
5.1	Bank balances	1,046,464	622,393
5.2	Call deposits	183,035	233,035
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)	1,229,499	855,428

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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**

99,491

-

Compensation payments to Oleg Vornik (Managing Director and CEO) and Director fees to the Board.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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**

75,000

-

Payment to Mounthaven Consulting LLC, an affiliate of substantial shareholder Long Hill Capital LLC.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities	1,885,000	nil
8.2 Credit standby arrangements	nil	nil
8.3 Other (please specify)	nil	nil
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.		

Following the end of the quarter, on 31 October 2018, the Company announced that it secured a \$1,885,000 non-convertible credit facility. Please refer to the ASX announcement of that date for additional details.

9. Estimated cash outflows for next quarter	\$A
9.1 Research and development	80,000
9.2 Product manufacturing and operating costs	230,000
9.3 Advertising and marketing	40,000
9.4 Leased assets	-
9.5 Staff costs	700,000
9.6 Administration and corporate costs	500,000
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,550,000¹⁸

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:  (Director/Company secretary)

Date: 24 January 2019

Print name: Dean Jagger

¹⁸ This amount represents the total estimated cash outflow (Gross, before any cash receipts, from customers, or otherwise) for the current quarter.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.