



ACTIVITY STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

Canberra, 30 October 2023

The consolidated entity consisting of Electro Optic Systems Holdings Limited and the entities it controls ("EOS" or the "Group") has filed its activity statement (4C) for the quarter ended 30 September 2023 ("Q3 2023").

1. QUARTERLY CASH SUMMARY

EOS's cash balance at 30 September 2023 was \$46.1m. This represents an increase of \$4.1m from the 30 June 2023 cash balance of \$42.0m, after repaying \$26.9m in debt facilities during the quarter.

More details of the cash movements during the quarter are set out below.

Receipts from Customers

Receipts from Customers totalled \$96.8m during Q3 2023. These receipts included cash flow benefits arising from a contract with a Western European Government customer, in addition to cash received from existing contracts. Total Receipts from Customers were \$220.0m for the nine months to 30 September 2023, compared to \$103.9m for the previous corresponding period in 2022.

The Group continues to focus on maximising Receipts from Customers, including seeking contract amendments where appropriate, and securing and delivering on new sales contracts that are cash-positive. During the quarter, this work included:

- Deliveries under a previously announced contract to supply 80 Remote Weapons Systems ("RWS") to a Western European Government, valued at EUR 32m (approximately A\$51m).
- Substantial commencement of work by EM Solutions under a previously announced contract to supply the Royal Australian Navy with products and services over seven years, (valued at up to A\$202m);
- Delivery of RWS products and collection of cash under a longstanding contract to supply a customer in the Middle East; and
- Demonstrations and other work to progress two conditional contracts to supply customers in Ukraine valued at up to US\$80m (approximately A\$120m) and US\$41m (approximately A\$61m);

Contract Asset Balance

- At the end of the quarter, EOS had a gross contract asset, totalling approximately \$105m, representing work completed for existing contracts but not yet invoiced to the customer.
- This balance at 30 September 2023 represents a reduction of approximately \$4m on the gross contract asset at 30 June 2023, and a reduction of approximately \$59m on the gross contract asset at 31 December 2022. This balance relates almost entirely to a large customer contract in the Middle East.
- The reduction in the contract balance by \$4m during Q3 2023 was mainly achieved due to Cash Receipts from Customers exceeding amounts invoiced in the quarter by \$7m. This was partially offset by the impact of an appreciation in the US dollar during the quarter (\$3m impact). The balance includes a contract retention amount of A\$40m, expected to be collected at the end of the contract in 2025.
- In addition, as at 30 September 2023, EOS had received payments in advance from customers totalling approximately \$25m.
- The net contract asset (after deducting payments received in advance) of \$80m at 30 September 2023 was \$7m lower than at 30 June 2023.

2. MARKET, CUSTOMER AND BUSINESS UPDATE

The global market for EOS products continued to develop positively during Q3 2023. This was partly due to the conflict in Ukraine, rising tensions and conflicts in other locations, and the related impact on customer demand in NATO countries and other markets.

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. EOS continues to pursue a number of material opportunities in different markets, including Europe, Australia and other international markets.

Ukrainian and Other International Markets

- EOS announced in April 2023 that it has secured two conditional contracts to supply Ukraine, with a total of 150 Remote Weapons Systems (“RWS”), valued at up to a total of US\$121m (approximately A\$181m). The two conditional contracts are conditional on successful demonstrations being completed and other customary terms for military contracts.
- Following stage 1 demonstration testing in August 2023, EOS is working on a second stage demonstration test in Ukraine and related final reviews, before committed orders are placed under the conditional contracts. These contracts are also subject to early termination rights in favour of the customer.
- EOS continues to be in contract negotiations on further opportunities regarding the potential provision of more RWS and related components and spares. This includes opportunities for direct supply to Ukraine, and to other countries providing support to Ukraine. There is no certainty that any particular outcome or transaction will result from these discussions, and EOS will update the market as appropriate.

Australia Market

- On 27 July 2023, the Commonwealth of Australia announced that Hanwha had been selected as the Prime Contractor for the Land 400 Phase 3 Project, with delivery of the 129 vehicles to the ADF by Hanwha expected in 2027 and 2028. EOS expects that it may receive the opportunity to provide RWS to Hanwha as part of this project. In addition, EOS may also have the opportunity for a share of work in support of the manufacture of turrets for Hanwha. EOS has now commenced contract discussions with Hanwha for the supply of RWS and discussions are expected to continue during 2023 and 2024.
- As previously announced on 9 August 2023, the Commonwealth of Australia has decided that the previously planned project, the National Space Mission for Earth Observation, would no longer proceed. In light of this, EOS announced that it had ceased work on the Proposed Satellite Manufacturing hub. No material costs or write down arose as a result of this decision.

Defence Systems Business

- During Q3, the Defence Systems business continued to deliver products to key customers including a significant overseas customer in the Middle East.
- Also during Q3, the Defence Systems business delivered 80 RWS to a Western European Government, under a contract valued at EUR 32m (approx. A\$51m). This follows the finalisation of an arrangement to source products previously manufactured for, and sold to, another domestic customer in Australia. This project was the largest contributor to the Group's revenue and to Cash Receipts from Customers during Q3. The Group received part of the cash proceeds from the Western European Government customer, totalling EUR 27m (A\$44m) during the quarter, with the balance to be received after training and other requirements are met.
- During the quarter, EOS received an order for three Slinger Counter Drone RWS to be sold to a US customer for donation and use in Ukraine. This initial order is strategically important to EOS. The size of the initial order is less than A\$2m.
- In addition, during the quarter, the Defence Systems business incurred costs and cash outflows in product manufacturing costs, operating costs and staff costs.

Space Technologies Business

- During Q3, the Space Technologies business continued to deliver products and services to customers under existing contracts, and to pursue and win opportunities to deliver Space Domain Awareness services.
- The size of these opportunities won during the quarter is not financially material but they continue to represent important steps with new customers in some new markets. These are expected to help underpin future strategic growth initiatives, including in Space Control and Space Warfare.

EM Solutions Business

- During the quarter, the EM Solution business substantially commenced work under a previously announced new contract to supply terminals to the Royal Australian Navy. In addition, deliveries to customers in Australia and Europe continued.
- EM Solutions also continued work on market development and contract negotiations on other potential sales opportunities in Europe, South East Asia and Australia.

3. PRODUCT DEVELOPMENT

EOS continued work during Q3 2023 to develop its legacy intellectual property and further commercialise its product range.

- During August 2023, EOS demonstrated new products at a test range in New South Wales, Australia. The demonstrations were made to representatives from 9 nations in Europe, North America, South East Asia and Australasia.
- The demonstration included a prototype High Energy Laser Weapon. Following this demonstration, discussions are continuing regarding potential opportunities. If successful, these discussions may lead to a product development and sale agreement for a High Energy Laser Weapon program, with the potential for this to be agreed and signed during 2024.
- The demonstration also included EOS new “Slinger” Counter Drone Remote Weapon System, which was launched in February 2023. Discussions re further opportunities are continuing, with the aim of securing further initial evaluation sales orders in 2023 and 2024.

After the end of the quarter, in October 2023, EOS attended the AUSA Trade Show in Washington DC in the United States and exhibited two new prototypes:

- EOS New R800 RWS was unveiled. This product is a heavy-duty Remote Weapon Station that delivers the lethality of a full sized medium calibre turret at a significantly lower weight and cost than a turret.
- Prototype 1kW laser. This design has been developed to be capable of blinding the optical cameras in all classes of unmanned aerial systems (drones) and anti-tank guided missiles.
- Discussions with a number of potential future customers are continuing in relation to these new products. Typically, new product launches in the defence industry can take one to three years to achieve sales and develop commercial maturity.

4. TAX REFUND

During the quarter, on 3 July 2023, EOS received a A\$17.2m tax refund in cash. This arose following finalisation of Australian income tax returns, claiming tax losses that arose during the year ended 31 December 2022.

5. GUARANTEE AND BOND FACILITIES

As part of normal operating procedures with contracts of the type entered into by the Group, the Group is regularly required to provide guarantees and performance and other bonds as security to customers and other counterparties.

These bonds are secured either wholly or partly by cash and a fixed and floating charge over the assets of the Group:

- During the quarter, as previously announced on 7 July 2023, the Group executed agreements to provide new guarantees for \$22.0m to a domestic customer in Australia. The guarantees were issued on the Group's behalf by funding providers and as at 30 September 2023 are secured by cash Security Deposits (totalling \$17.8m) that the Group has provided to the guarantee issuers.
- As at 30 September 2023, the Group had issued a total of \$100.1m of performance and offset bonds. These are issued by Export Finance Australia and Westpac under Bond Facility Agreements. Cash security deposits totalling \$59.9m secured these bonds at 30 September 2023.
- The bonds, guarantees and cash deposits are expected to be returned to EOS in future years as various obligations are fulfilled.

After the end of the quarter in October 2023, and to support an EM Solutions contract to deliver and install communications systems to the Royal Australian Navy, (previously announced on 19 May 2023), the Group secured an additional bank guarantee facility for \$6m. To secure these bank guarantees, the Group has provided a cash security deposit of \$6m to facility providers.

6. OFFSET CREDIT OBLIGATION

The Group is obligated as part of its contract to supply a customer in the Middle East, to contribute to economic development in the country in order to offset against purchases of its products and services ("Offset Program").

This commitment is secured by an offset bond of US\$16.9m (A\$25.6m) which is guaranteed by Export Finance Australia. In respect of the bond, an cash security amount of US\$10.5m (A\$15.8m) has been placed on deposit. These are included in the cash security deposits identified in section 5 above.

Under the Offset Program, Offset Credits can be earned by:

- (i) investing in the country;
- (ii) engaging in contracts that support local industry; or
- (iii) making other contributions.

This is a common requirement for suppliers like EOS. Under the Offset Program guidelines, participants typically have several years in which to earn Offset Credits. As an alternative to generating Offset Credits through the Offset Program, in certain circumstances Offset Credits can be generated through participation in the Credit Purchase Program, which involves settling obligations by making cash payments.

As part of the Offset Program, EOS is required to develop, agree and submit an approved business plan to the Offset Credit authority. Following discussions during the quarter, EOS submitted a business plan during September 2023, which was within a time limit specified by the Offset Credit authority.

The Offset Credit authority is reviewing the business plan for approval and the Group continues in advanced discussions with the Offset Credit authority to finalise approval.

As at the date of this report, EOS is in compliance with its obligations and expects to reach agreement on an approved business plan, and to ultimately generate offset credits by executing that business plan. EOS does not expect to settle the offset obligation in cash, either through the Credit Purchase Program or the bank guarantee (which is able to be called if EOS does not satisfy its Offset Obligations). No provisions have been recorded for this matter at 30 September 2023.

7. BORROWING SUMMARY AND CASH BALANCES

- During the quarter, on 5 September 2023, the Group repaid \$26.9m in full repayment of its first Working Capital Facility.
- As at the date of this announcement, EOS has the following borrowing facilities in place:
 - Working Capital Facility, \$15m principal, maturing on 11 April 2024; and
 - 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 30 September 2023, these facilities were fully drawn.
- The Group is required to comply with borrowing covenants related to cash inflows and outflows calculated on a rolling three-month basis. During the nine months ended 30 September 2023, and in the period up to the date of this announcement, the Group worked with the lender to ensure it did not breach cash inflow or outflow covenants, or other obligations under the facility agreements.
- As previously announced on 9th, 13th and today 30th October 2023, EOS is in a commercial dispute with its primary lender, Washington H. Soul Pattinson. EOS has received a claim for payment of a \$4.5m fee, from WHSP. The claim was with respect to consent previously provided by WHSP for EOS to issue guarantees supporting an attractive, cash generative sale, announced on 13 June and 7 July 2023.
- EOS has previously announced that it disputes the claim and is in commercial discussions with WHSP to review the matter, and to consider options to explore a mutually agreeable commercial outcome. As part of these discussions, WHSP has agreed not to pursue collection of the disputed amount until 3 November 2023. More information on this claim is included in the announcements made on 9th, 13th and today, 30th October 2023.
- The Group has complied with all other covenant requirements.

- The Group continues to closely monitor its cashflow outlook and compliance with its borrowing covenants. The ability of the Group to maintain liquidity and meet its borrowing covenants is dependent on the Group continuing to invoice customers and collect cash in a timely manner. Should it appear that borrowing covenants may not be complied with, or the Group may not be in a position to meet debt repayments, or the Group may not have adequate liquidity for its operations, the Directors will assess available options to restructure debt commitments or access additional equity or debt funding as required.
- EOS's cash balance at 30 September 2023 was \$46.1m.

8. RELATED PARTY TRANSACTIONS

Payments to related parties of the entity and their associates totalled \$112,339 for the quarter. These amounts all relate to payments for directors' fees and superannuation to non-executive directors and entities associated with non-executive directors during the quarter.

9. SUBSEQUENT EVENTS

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

10. AUDITED RESULTS

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:

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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 include next-generation remote weapon systems, vehicle turrets, high-energy laser weapons (directed energy), as well as fully integrated and modular 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 and effectors to detect, track and characterise objects in space. It includes capabilities in the domain of space control and space warfare. EM Solutions delivers world-leading RF and optical space communications technology. Its core product range centres around the development and production of high-end, broadband radio transceivers for satellite communications as well as satellite communications-on-the-move terminals for defence and government customers.

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

95 092 708 364

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	96,811	219,990
1.2 Payments for		
research and development	(3,648)	(9,712)
product manufacturing and operating costs	(39,334)	(92,122)
advertising and marketing	(592)	(1,704)
leased assets	-	-
staff costs	(9,213)	(26,553)
administration and corporate costs	(7,422)	(19,208)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	546	650
1.5 Interest and other costs of finance paid	(6,368)	(9,525)
1.6 Income taxes paid	-	(385)
1.7 Government grants and tax incentives	-	66
1.8 Other (provide details if material)	4	22
Income tax refund received	17,132	17,132
1.9 Net cash from / (used in) operating activities	47,916	78,651

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(664)	(2,028)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Security Deposits	(18,886)	(23,592)
2.6	Net cash from / (used in) investing activities	(19,550)	(25,620)

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	(22,777)	(24,404)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Repayment of lease liabilities	(1,138)	(3,391)
3.10	Net cash from / (used in) financing activities	(23,915)	(27,795)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	42,029	21,681
4.2	Net cash from / (used in) operating activities (item 1.9 above)	47,916	78,651
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19,550)	(25,620)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23,915)	(27,795)
4.5	Effect of movement in exchange rates on cash held	(330)	(767)
4.6	Cash and cash equivalents at end of period	46,150	46,150

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	46,150	42,029
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)	46,150	42,029
Note	Not included in the cash figure above are non-current cash security deposits securing performance bonds, premises and guarantee	61,143	41,207

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	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
These amounts included in item 6.1 all relate to payments for 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. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities – WHSP	62,551	62,551
Loan facilities – Premium funding	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – Export Finance Australia	89,184	88,829
Other – Westpac	11,327	11,327
7.4 Total financing facilities	163,062	162,707
7.5 Unused financing facilities available at quarter end		355
7.6		

WHSP Facilities:Working Capital facility

On 6 September 2022, the Group entered into a \$20m 12-month working capital facility with Washington H. Soul Pattinson and Company Limited ('WHSP'). The facility carried interest of 15% per annum and line fees of 4%. This loan was secured by a general security deed which ranks in priority above both the Term loan facility and the Export Finance Australia facility below. This finance facility was repaid in full on 5 September 2023.

Term loan facility

On 12 October 2022, the Group 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 *pari passu* with the Export Finance Australia facility below.

Additional Working Capital Facility

On 12 October 2022, the Group 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.

The above facilities include an early repayment option and a 'make whole' clause.

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

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.

7.6

Export Finance Australia facility:

The Group maintains a performance bond in respect of a contract in Defence Systems of US\$33.3m (A\$50.1m). 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\$23.9m) and a fixed and floating charge over the assets of the Group. The costs of this facility are included in Item 1.5 as other costs of finance paid.

Under the terms of a contract in Defence Systems, the Group signed an offset agreement with the relevant overseas Government Authority on 12 February 2021 for an amount of US\$16.9m (A\$25.6m). 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\$10.5m (A\$15.8m) and a fixed and floating charge over the assets of the Group. The costs of this facility are included in Item 1.5 as other costs of finance paid.

During the quarter, the Group executed an agreement with Export Finance Australia to provide a A\$11.1m bank guarantee to a domestic customer in Australia in relation to sourcing products for delivery to a Western European Government customer. The bank guarantee was secured by cash deposit of A\$7.8m and the costs of the facility arrangements are included in Item 1.5 as other costs of finance paid.

Westpac facility:

During the quarter, the Group executed an agreement with Westpac to provide a A\$11.1m bank guarantee to a domestic customer in Australia in relation to sourcing products for delivery to a Western European Government customer. This, in addition to the EFA \$11.1m guarantee provides the total \$22.2m security required under the contract. The bank guarantee with Westpac was secured by a cash deposit of \$11.1m and the costs of the facility arrangements are included in Item 1.5 as other costs of finance paid.

Premium funding facility:

The Group funds its insurance premiums through an unsecured finance facility with Clearmatch Originate Pty Limited. The interest rate for this funding was 2.89%. This facility was fully repaid in July 2023.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	47,916
8.2	Cash and cash equivalents at quarter end (item 4.6)	46,150
8.3	Unused finance facilities available at quarter end (item 7.5)	355
8.4	Total available funding (item 8.2 + item 8.3)	46,505
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: 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?	
	Answer: 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?

Answer: N/A

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 October 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.