

23 April 2024

## Q3 FY24 Quarterly Activities Report and Appendix 4C

**Chrysos Corporation Ltd** (ASX:C79) (“Chrysos” or the “Company”) is pleased to announce its Quarterly 4C Report and summary of its activities for the period ended 31 March 2024 (Q3 FY24).

### Highlights

- Total Revenue<sup>1</sup> of \$12.9m, reflecting 28% growth Quarter-on-Quarter (QoQ) and 92% growth Year-on-Year (YoY)
- Sample volumes increased to 1.1m, reflecting 3% growth QoQ and 29% growth YoY, with latent revenue capacity available to capture industry cycle upturn
- New contract signed with MSALABS for deployment of a second unit to Barrick Gold’s Kibali gold mine, bringing total contracts to 50 post-Quarter
- 27 PhotonAssay™ units currently deployed; with three new units becoming operational in Q3 FY24. However, customer site-readiness challenges continue to delay some deployments into FY25
- Improving unit economics, with gross margins between 70% and 80%
- Updated FY24 guidance: EBITDA of \$8.5m and Total Revenue of \$45m
- Projected Lifetime Return of more than \$20m per unit creating an infrastructure-like asset fleet
- Well-funded to support continued PhotonAssay™ unit growth, with cash position of \$70.2m as of 31 March 2024 and \$95m in undrawn debt available

### Chrysos Managing Director and CEO Dirk Treasure, commented:

“With revenue of \$12.9m reflecting growth of 92% compared to the prior corresponding period, and our first deployment into Europe, the third Quarter of FY24 saw the continuing adoption of Chrysos’ PhotonAssay technology across the global mining industry. Looking forward more broadly, Chrysos’ sales opportunity pipeline remains strong, and we expect a buoyant gold price to drive an increased number of samples through our laboratory-based units.”

“As previously flagged to the market, we are working constructively with relevant customers to mitigate the site-readiness challenges currently affecting our unit deployment schedule. Concurrently, we are focused on signing new contracts and diversifying our customer base, which would allow us to accelerate unit installations through FY25. We are also driving volume to existing units where latent revenue capacity can deliver strong upside for Chrysos across its installation hubs.”

### FY24 Guidance

We provide updated guidance below for EBITDA and Revenue:

- EBITDA of \$8.5m remains comfortably within forecast range of \$7-17m.
  - FY24 EBITDA of \$8.5m will reflect 143% growth compared to FY23.
- Total Revenue is expected to be \$45m, against forecast range of \$48m to \$58m.
  - FY24 Revenue of \$45m will reflect 69% growth compared to FY23.

Final deployments at the conclusion of FY24 are expected to total nine new units and two redeployments, bringing Chrysos’ total number of installed units to 29, an increase of 45% on FY23. We currently have 11 additional units with completed factory acceptance testing available to support our FY25 deployment schedule and we anticipate continued strong growth in both Revenue and EBITDA throughout that period.

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<sup>1</sup> Revenue is unaudited and includes operating lease and other income.



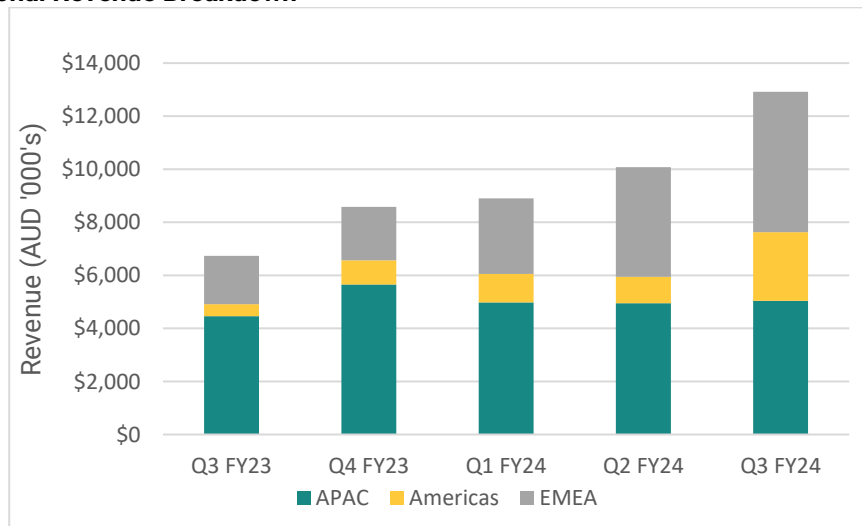
**Table 1 – Q3 FY24 Key Performance Metrics**

	Q3 FY24	YoY comparison to Q3 FY23	QoQ Comparison to Q2 FY24
<b>Deployed units</b>	27	18	24
<i>current</i>	27	+9	+3
<b>PhotonAssay™ Lease Agreements</b>	49	49	49
<i>current</i>	50	+1	+1
<b>Samples Processed</b>	1.1m	818k +29%	1,023k +3%
<b>Unaudited Total Revenue<sup>1</sup></b>	\$12.9m	\$6.7m +92%	\$10.1m +28%
<b>Minimum Monthly Assay Payments (MMAP)</b>	\$10.9m	\$5.7m +90%	\$8.9m +23%
<b>Additional Assay Charges (AAC)</b>	\$1.4m	\$0.6m +128%	\$1.2m +22%

**Operational Highlights**

- A new PhotonAssay™ lease agreement was signed with MSALABS post-Quarter for deployment of a second unit to Barrick’s Kibali gold mine, reflective of the mine’s sample volume demand now exceeding the capacity of a single unit.
- During the Quarter, Chryso’s global deployment team installed three new PhotonAssay™ units. One unit was deployed in England, and a further two into Canada.
- Two new units are currently being deployed in Canada and Africa, and a further unit is being re-deployed in Australia to better service the footprint of the Western Australia market.
- During the Quarter, Chryso completed factory acceptance testing of an additional five new units, reaching a total of 11 PhotonAssay units that are now ready to be shipped and installed in support of Chryso’s FY25 deployment schedule.
- Samples processed increased by 3% QoQ (see appendix - Chart 3) and 29% YoY.
- Minimum Monthly Assay Payments (MMAP) was \$10.9m, an increase of 23% QoQ. Additional Assay Charges (AAC) were \$1.4m for the Quarter, an increase of 22% QoQ (see appendix – Chart 4). Chryso’s robust business model continues to provide secure forecastable revenue (84% of total unaudited revenue is generated from Minimum Monthly Assay Payments).
- Chryso will retire its utilisation, MMAP and AAC metrics from Q3 FY24 onward. As the company matures both its business and its global finance platforms, Chryso is able to continue to provide improved metrics to better model the company’s performance. The company intends to provide regional revenue breakdown, revenue per unit and cost per unit information going forward.

**Chart 1: Regional Revenue Breakdown**

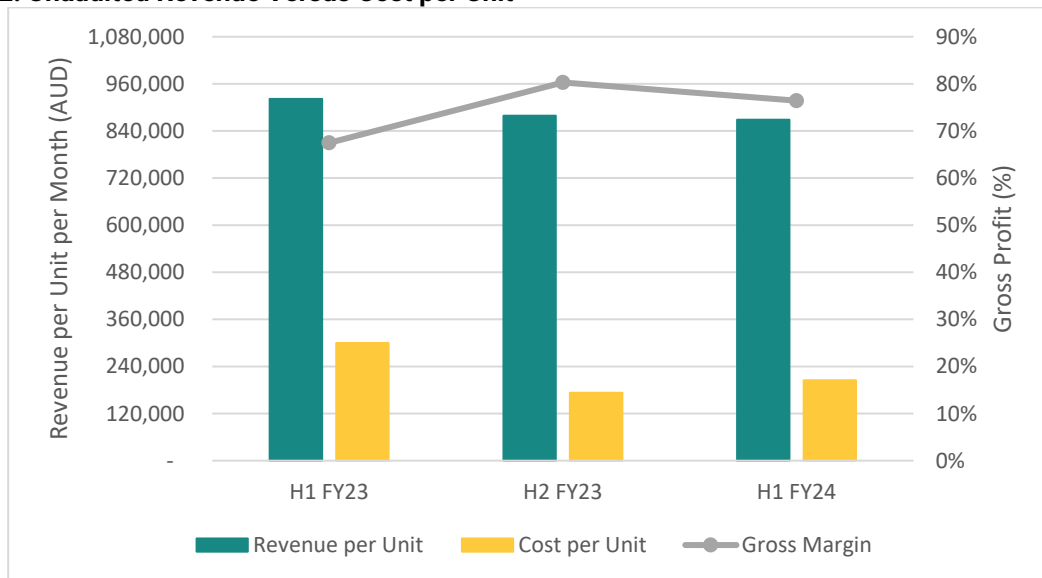




Chrysos is showing substantial growth in revenue from outside of Australia as the company continues to drive global adoption of the PhotonAssay™ technology. Revenue from international hubs now represents more than 50% of the company’s total revenue pool, which has increased 28% QoQ, or 92% YoY. Having maintained relatively consistent revenues in Australia, Chrysos has seen EMEA revenue increase 190% YOY and revenue from the Americas increase 479% YoY.

With latent revenue capacity in key mining geographies, Chrysos and its commercial laboratory partners are well positioned to capture upside in the gold industry cycle as exploration activity increases.

**Chart 2: Unaudited Revenue Versus Cost per Unit**



Chrysos has delivered improving unit economics with a rolling 12-month revenue per unit of \$1.8m and rolling 12-month cost per unit of \$425k. Cost per unit is a reduction of approximately 10% compared with estimates provided in the Company’s prospectus in 2022<sup>2</sup> and is despite cumulative inflation over that period of 6.2%<sup>3</sup>. This reflects a strong gross margin, which remains consistently between 70 and 80% and demonstrates the efficacy of the Company’s hubbing strategy and deeper engagement in maintenance by Chrysos team members.

This effective cost control and revenue security results in an infrastructure-like, Projected Lifetime Return of more than \$20m per unit for the fleet of deployed PhotonAssay™ units.

### Cash Flow & Financial Summary

During Q3 FY24, Chrysos recorded cash receipts from PhotonAssay™ customers of \$7.0m, compared to \$6.9m in Q2 FY24. Q3 FY24 net operating cash inflows totaled \$389k, compared to cash outflows of \$871k in Q2 FY24. The Company continues to operate cash-flow positive year to date, with cashflows in line with expectations during the Quarter.

In accordance with ASX Listing Rule 4.7C, Chrysos advises payments to related parties and their associates for Q3 FY24 were \$181k. These payments were related to Director fees and expenses paid to Directors and their associates.

During the Quarter, Chrysos was advised by CBA that a Second Party Opinion determined that its entire

<sup>2</sup> Based on Prospectus Annual Cost (page 60) and Variable Employee Benefit Expense (page 93)

<sup>3</sup> Source ABS.Gov.au



## Faster, more accurate **gold** analysis

\$95m CBA facility is aligned with the Green Loan Principles and has now been independently certified as Green Funding under the Green Technology criteria. The Company's total debt facility with CBA is \$95m with \$nil drawn down as at the end of March 2024.

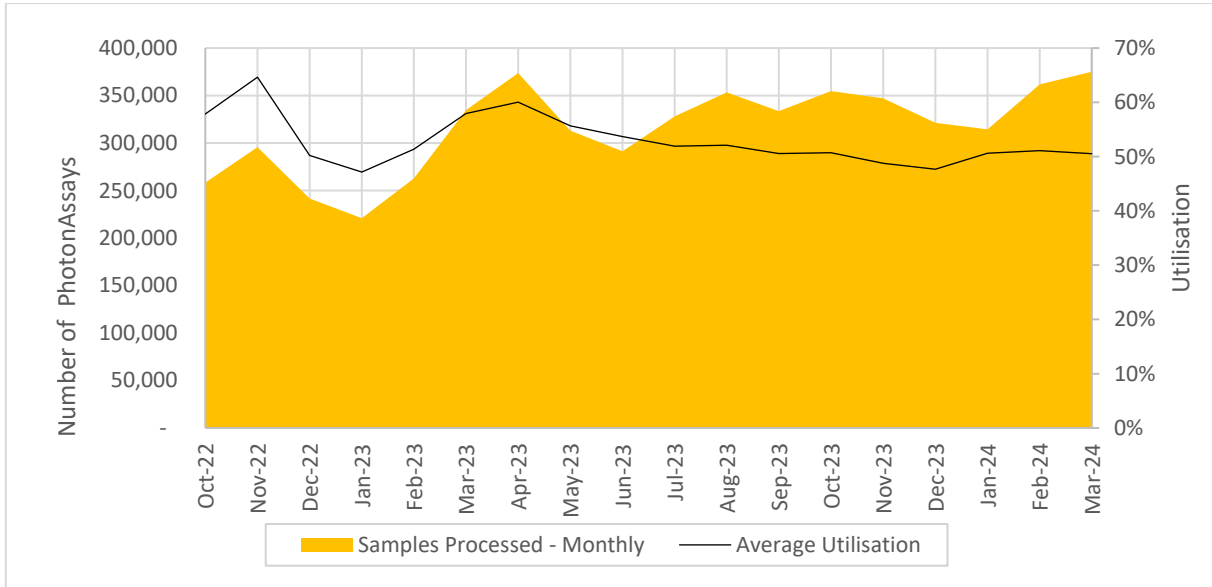
Chrysos Corporation ended Q2 FY24 with \$70.2m cash in the bank and undrawn debt facilities of \$95m.

A copy of the Appendix 4C – Quarterly Cash Flow Report for the Quarter is appended.



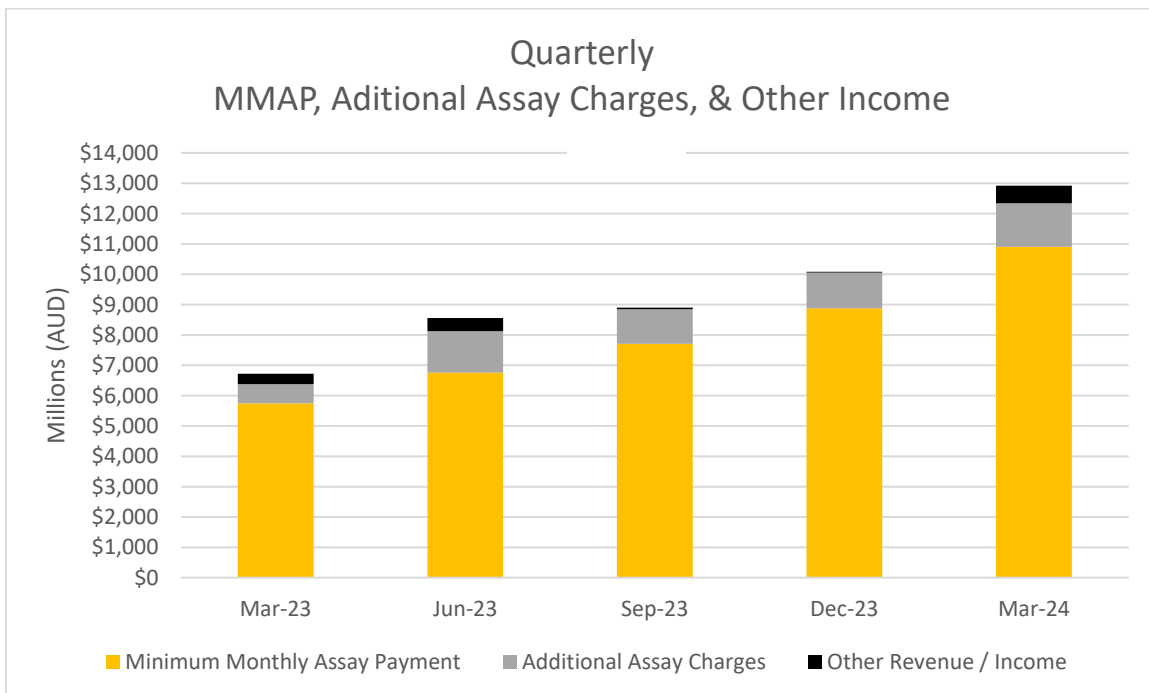
Appendix

Chart 3: Monthly Samples Processed & Unit Utilisation



Samples processed during the quarter were up 3% QoQ or 29% YoY illustrating continued adoption of the PhotonAssay™ technology. *Utilisation is a retiring metric from Q3 FY24.*

Chart 4: Quarterly Growth in MMAP, Additional Assay Charges & Other Income



Chryso continues to experience strong Total Revenue growth with an increase of 28% QoQ or 92% YoY underpinned by secure Minimum Monthly Assay Payment revenue. *The above method of revenue breakdown will be retired from Q3 FY24.*



## Investor Webcast

Chrysos Managing Director and CEO, Dirk Treasure, and Chrysos CFO Brett Coventry, will host a webcast and conference call for analysts and investors at 10.30am AEST today.

The links for participant registration are available below.

Webcast: <https://webcast.openbriefing.com/c79-qtr3-2024/>

Conference call: <https://registrations.events/direct/OCP1188794001>

**ENDS**

## About Chrysos Corporation

Headquartered in Adelaide, with operations spanning Australia, Canada, Africa, and Europe, Chrysos Corporation combines science and software to create technology solutions for the global mining industry. The Company's flagship product PhotonAssay™ delivers faster, safer, more accurate and environmentally-friendly analysis of gold, silver, copper and other elements. For more information about Chrysos or its PhotonAssay™ technology, visit [www.chrysoscorp.com](http://www.chrysoscorp.com)

## For media and investor enquiries, please contact:

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This announcement was authorised for release by the Chair of Chrysos Corporation Limited.

## Appendix 4C

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

**Name of entity**

Chrysos Corporation Limited

**ABN**

76 613 131 141

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

March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1. Receipts from customers	7,009	21,647
1.2. Payments for		
(a) research and development	(108)	(491)
(b) product manufacturing and operating costs	(717)	(1,613)
(c) advertising and marketing	(19)	(95)
(d) leased assets	83	(48)
(e) staff costs	(4,728)	(14,655)
(f) administration and corporate costs	(1,764)	(5,437)
1.3. Dividends received (see note 3)	-	-
1.4. Interest received	733	1,596
1.5. Interest and other costs of finance paid	(100)	(1,071)
1.6. Income taxes paid		735
1.7. Government grants and tax incentives		25
1.8. Other (provide details if material)	-	-
<b>1.9. Net cash from / (used in) operating activities</b>	<b>389</b>	<b>593</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(14,417)	(45,238)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	314	(1,659)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(14,103)</b>	<b>(46,897)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	71,543
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	360	1,619
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(8,454)
3.7 Repayment of lease liabilities	(457)	(457)
3.8 Dividends paid	-	-
3.9 Other (provide details if material) (Repayment of Customer Debt)	(915)	(915)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(1,012)</b>	<b>63,336</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	84,682	53,359
4.2 Net cash from / (used in) operating activities (item 1.9 above)	389	593
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(14,103)	(46,897)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,012)	63,336
4.5	Effect of movement in exchange rates on cash held	223	(212)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>70,179</b>	<b>70,179</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	9,416	13,371
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)	60,763	71,311
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>70,179</b>	<b>84,682</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	181
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><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></p> <p>Includes directors fees and rent paid to CSIRO for the quarter.</p>		

## 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>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	95,000	0
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	95,000	0
7.5 <b>Unused financing facilities available at quarter end</b>		95,000
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.	
	Loan facilities are with the Commonwealth Bank, covenants are to be reported quarterly and is secured by a general security interest over the assets of the Company.	

8. <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)	593
8.2 Cash and cash equivalents at quarter end (item 4.6)	70,179
8.3 Unused finance facilities available at quarter end (item 7.5)	95,000
8.4 Total available funding (item 8.2 + item 8.3)	165,772
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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?
	Answer:
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:
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:
<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: 23 April 2024

Brett Coventry – Chief Financial Officer & Company Secretary

Authorised by:.....  
(Name of body or officer authorising release – see note 4)

**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.