

NOVIQTECH

NoviqTech 4C Q4 FY23

30th April 2024

Highlights

- NoviqTech Signs First Long-Term Commercial Contract in the United States
- NoviqTech Signs MoA with Zero13 for Carbon Market Integration
- AI Roadmap for NoviqAI
- Placement Completed Successfully Raising \$700,000
- Annual Report Released

Gold Coast, 30th April — NoviqTech Limited (“NoviqTech”), is excited to release our quarterly report for the first quarter of FY24, having started the year with a number of significant achievements.

NoviqTech Signs First Long-Term Commercial Contract in the United States

In March, it was announced that NoviqTech had signed its first long-term commercial contract with Power Synch. The project will see Carbon Central utilised as part of a green hydrogen hub in Pennsylvania to monitor production for the purposes of plant operators claiming the green hydrogen tax credit offered under the United States Inflation Reduction Act.

The hub consists of 14 hydrogen production companies which are set to produce up to 100,000 tonnes of green hydrogen once full scale production is underway. This represents a massive opportunity for NoviqTech, which through its Carbon Central platform has the potential to be producing over 100,000,000 digital certificates on the blockchain every year – equating to ~AUD\$50,000,000 in revenue (subject to finalisation of the US Green Hydrogen tax credit model).

Power Synch will utilise Carbon Central’s digital twin capabilities to simulate hydrogen production emissions prior to hydrogen production commencing in 2025. Once production commences, Carbon Central will be used to monitor carbon emissions in real-time through integration with plant facilities, producing a digital certificate for each kilogram of hydrogen produced.

NoviqTech Signs MoA with Zero13 for Carbon Market Integration

In late March, NoviqTech signed a memorandum of agreement (MoA) with Zero13 GMEX and IOSS to integrate Carbon Central with the Zero13 ecosystem to enhance transparency and efficiency of carbon reporting, and guarantee of origin of high-integrity carbon credits and ACCUs required for the creation of trusted financial instruments for the global carbon market.

Under the MoA, the four companies will work together to develop, validate and implement new methodologies for carbon credit generation, authentication and registration, incorporating advanced analytics, blockchain and AI to improve data integrity, accuracy and efficiency from source for credit evaluation and issuance. The companies will also jointly target and develop strategies for new markets and opportunities, particularly focusing on overcoming verification challenges that provides barriers for entry in emerging economies.

GMEX provides multi-asset exchange trading, post-trade, and digital technology solutions. The company was founded in 2012 and is headquartered in London, United Kingdom. GMEX Group operates several subsidiaries, including GMEX Technologies, which provides trading and post-trade technology solutions.

ZERO13, a venture by GMEX, is a carbon market ecosystem driven by AI and blockchain technologies to provide a Carbon Trading Exchange and Carbon Aggregation Hub to make businesses more sustainable in the future in addition to a Carbon Registry to issue credits based on projected and real mitigation outcomes from multiple projects. It provides game changing solutions to overcome all current inefficiencies, fragmentation and conflict of interests, thanks to outcomes measurement automation, immutable carbon credit and holdings with side-chain based meta-registry, hybrid exchange with post trade (ZERO13 Markets) and a multi-entity hub aggregation ecosystem (ZERO13 Hub).

IOSS connects relevant stakeholders, builds relationships and delivers ecosystem solutions that enable digitisation, transformation and rapidly evolving frontier technologies to bridge with existing technical infrastructures and deliver innovative solutions for market expectations.

This MoA presents incredible opportunities for NoviqTech as all four companies pursue opportunities to scale inclusive carbon offset activities across the globe which can leverage the capabilities of NoviqTech's Carbon Central platform to increase trust, transparency, integrity, confidence and the value of the resulting carbon credits for all stakeholders in the ecosystem in the critical path to attain net zero.

AI Roadmap for NoviqAI

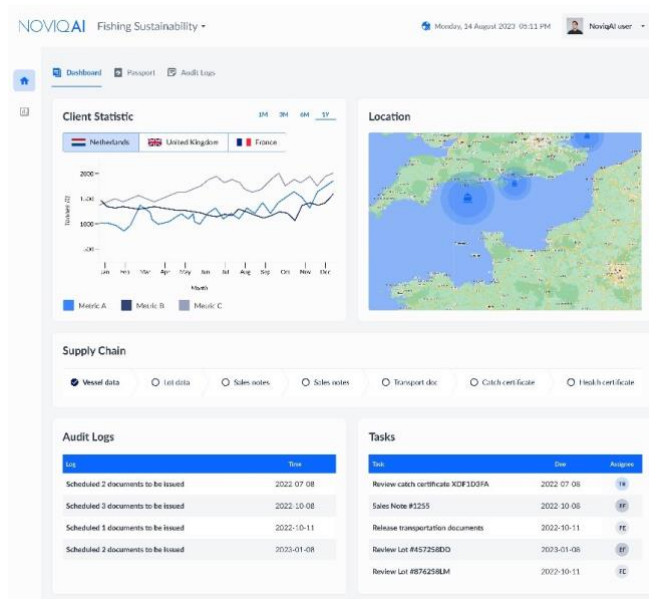
Designed to support value chain traceability and product authenticity verification, NoviqAI will revolutionise the market through its usage of AI (Artificial Intelligence) and blockchain technologies.

Built upon the same core architecture as our Carbon Central platform, NoviqAI will lead the AI revolution by utilising machine learning, predictive analytics, and cognitive computing to create a smooth and intelligent ecosystem for supply chain logistics.

AI-Centric Innovations of NoviqAI:

AI is at the core of NoviqAI and will make many of its market leading capabilities possible, including features currently unavailable in the market today. Leveraging our Google Cloud partnership, NoviqAI will utilise Gemini as the base on top of which we will build out our AI capabilities, including:

- **AI-Enhanced Transparency and Traceability:** NoviqAI will offer deep learning algorithms to offer unprecedented visibility across value chains. It ensures every product's journey is transparent and authenticated, enhancing trust and efficiency for both companies and end consumers.
- **Intelligent Project Management:** NoviqAI will utilise AI's predictive power, from automated task allocation to dynamic resource optimisation, to ensure that supply chain operations are always predictively proactive, reducing downtime and maximising efficiency across operations.
- **Blockchain-Backed AI Validations:** NoviqAI combines AI's analytical prowess with blockchain's security to ensure each product's origin and lifecycle are indisputably verified, offering a new standard in value chain integrity.



In 2022 the supply chain management industry reached a value of USD\$21B (approx. AUD\$32B), with an expected CARG of 11%, fuelled by the ever-evolving advancements in supply chain technologies¹. As reported by Bain and Company, traceability can help companies improve efficiency, resilience, and competitiveness, which is further fuelling the rapid growth the in the supply chain markets industry².

Through NoviqAI, NoviqTech is planning to benefit from the growth of the industry by offering a platform with capabilities not offered through legacy systems. NoviqAI represents a paradigm shift, by combining the capabilities of AI and blockchain technologies, companies will be able to monitor and report on their value chains with greater trust and transparency than ever before.

Our goal is to revolutionise global supply chains using AI-powered innovation. We invite you to join us on this journey towards a future where supply chain operations are more innovative, environmentally friendly, and efficient. At NoviqAI, we are taking supply chain evolution to the next level, where AI is not just integrated but integral.

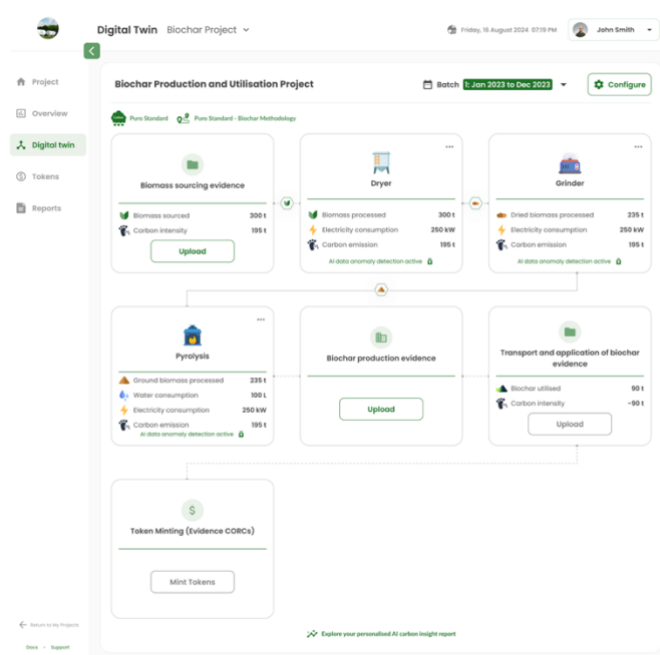
Placement Completed Successfully Raising \$700,000

During the quarter, NoviqTech successfully raised \$700,000 in new capital via the issue of 175,000,000 new ordinary shares, priced at \$0.004, a 33% premium above the last closing price prior to the announcement of the raise (each new share issued included one free attaching option). The attaching options have a strike price of \$0.008 per share (which represents a 100% premium to the Placement price) and an expiry date of 2 years from the date of issue.

The proceeds of the Placement will fund the execution of the commercialisation strategy for Carbon Central in key markets allowing organisations of all sizes to monitor and report on their carbon emissions as well as supports organisations in claiming guarantee of origin certificates for their green fuels and resources. The funds will further allow for NoviqTech's continuing development of AI functionality in Carbon Central as well as working capital purposes.

In the upcoming year, Carbon Central is set to undergo significant improvements by integrating Artificial Intelligence in several pivotal areas. These advancements were developed by our in-house team.

1. **AI-Powered Carbon Footprint Analysis** – Our team is crafting bespoke machine learning algorithms to offer real-time, accurate carbon footprint analyses, setting new industry standards for environmental impact mitigation.
2. **Automated Sustainability Recommendations** – Our in-house developed AI systems enable us to confidently provide personalised and actionable sustainability strategies, empowering businesses to proactively reduce their carbon footprint.



3. **Enhanced Data Insights and Reporting** – Our AI advancements will provide deeper, predictive insights into carbon management, empowering organisations with the data needed to make informed, eco-friendly decisions.
4. **Real-time sensor anomaly detection:** Monitor real-time data from IoT devices and sensors for anomaly detection in carbon emissions data. This will help identify unexpected spikes or emissions reductions, indicating operational inefficiencies or data integrity issues.
5. **AI-Driven Optimisation for Carbon Reduction:** Integrate AI to suggest operational changes or investments in technologies that could significantly reduce carbon emissions. This feature could analyse multiple variables and scenarios to recommend the most cost-effective and impactful strategies.
6. **Natural Language Processing (NLP) for Regulatory Compliance:** Utilise NLP to automatically scan and interpret global carbon emission regulations and standards, to provide customers with insights for ongoing compliance.
7. **Enhanced Digital Twins with AI Simulations:** Incorporating AI simulations to predict the environment impact of operational changes, new technologies before implementation, allowing better planning and understanding of potential carbon emission reductions.

The screenshot shows a 'Configure Dryer' interface with the following sections:

- Device selection:** A dropdown menu currently showing 'Simulated Meter'.
- Device Details:** A note stating 'Simulated meters are configured to create readings in intervals of 15 minutes.' and a link 'Click to use AI-powered values to fill data'.
- Process Inputs:**
 - Input resource field:** Biomass (t/h) with a range of 0.4 to 0.6 (15 mins).
 - Electricity consumption field:** Electricity (kwh) with a range of 80 to 120 (15 mins).
 - Fuel consumption field:** e.g. fuel consumption (Select UOM) with min and max options (15 mins).
- Process Outputs:**
 - Output resource field:** Dried Biomass (t/h) with a range of 0.32 to 0.48 (15 mins).

Buttons for 'Click to add new field' are present under both the Process Inputs and Process Outputs sections.

Our goal for Carbon Central is to leverage AI to offer unparalleled accuracy, efficiency, and actionable insights for businesses worldwide, positioning it as a leading platform in carbon management.

Leveraging the Google Partnership

Following the announcement of our collaboration with Google, we are excited to announce our plan to utilise Gemini AI technology in enhancing Carbon Central. This collaboration is a cornerstone of our AI development strategy and provides a powerful platform for innovation.

The Gemini AI technology, known for its advanced machine learning and data processing capabilities, will be a critical component in our development efforts. By integrating Gemini AI

into our in-house developed AI solutions, we aim to significantly enhance the efficiency, scalability, and impact of Carbon Central.

Looking Forward

With a firm eye on the future, NoviqTech is not just addressing today's sustainability challenges but is actively developing the next generation of solutions. Our in-house AI development efforts, bolstered by our partnership with Google and the power of Gemini AI, highlight our commitment to leading the charge in technological innovation for environmental sustainability.

Annual Report Released

In March, NoviqTech's 2023 annual report was released to the market via the ASX. The report details the accomplishments of the business over the course of 2023 and how it played an instrumental component in the early successes of 2024. The full report can be accessed using the link below.

[2023 Annual Report](#)

Summary of Expenditure Incurred on Business Activities

The operating expenditures of NoviqTech for the March 2024 quarter can be summarised as follows (A\$'000):

Item	Value (A\$'000)
Advertising and marketing costs	2
Leased assets	15
Staff costs	313
Administration and corporate costs	217
Income taxes/GST paid	5
Total cash outflow	552

Additional Information

Payments to related parties and their associates included in operating activities during the quarter was A\$81,000, which relates to the remuneration of directors and key management personnel.

Authorised by the NoviqTech Board of Directors.

//End

For any queries relating to this announcement, please contact:

investors@noviqtech.com

About NoviqTech

NoviqTech (ASX: NVQ) harnesses the power of artificial intelligence and distributed ledger technology to provide trusted and transparent reporting across supply chains, carbon emissions reporting, and guarantee of origin. The NoviqTech brands – NoviqAI and TYMLEZ deliver novel and innovative technologies to organisations across the globe in sectors from maritime to regenerative agriculture, empowering them to make more informed decisions, track their carbon emissions with precision, and validate the authenticity of their products' origins all in real-time.

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Appendix 4C

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

Name of entity

NoviqTech Limited

ABN

37 622 817 421

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(2)	(2)
(d) leased assets	(15)	(15)
(e) staff costs	(313)	(313)
(f) administration and corporate costs	(217)	(217)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		-
1.6 Income taxes/GST received/(paid)	(5)	(5)
1.7 Government grants and tax incentives	16	16
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(535)	(535)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) 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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	700	700
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	-	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(54)	(54)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	646	646

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	396	396
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(535)	(535)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	646	646
4.5	Effect of movement in exchange rates on cash held	(6)	(6)
4.6	Cash and cash equivalents at end of period	501	501

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	501	501
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)	501	501

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 *	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NIL
<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>		

*Amount included in 6.1 above relates to remuneration (inclusive of share-based payments) paid to directors and key management personnel.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	NIL	NIL
7.2 Credit standby arrangements	NIL	NIL
7.3 Other (please specify)	NIL	NIL
7.4 Total financing facilities	NIL	NIL
7.5 Unused financing facilities available at quarter end		NIL
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.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(535)
8.2 Cash and cash equivalents at quarter end (item 4.6)	501
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	501
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.94
<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?	
<p>Answer: No. Management is currently undertaking the following measures to ensure that the Group maintains a sustainable level of net operating cash flows:</p> <ul style="list-style-type: none"> - Continue to monitor and control the Group's ongoing working capital requirements and expenditure commitments; and - Continue management's focus on maintaining an appropriate level of corporate overheads in line with the Group's available cash resources. 	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: Yes. The following steps have been undertaken:</p> <ul style="list-style-type: none"> - On 28 March 2024, the Group received a signed letter of financial support and funding commitment from Copeak Pty Ltd (PEAK) which indicates PEAK's commitment to provide ongoing financial support to the Group and reaffirms its commitment to provide ongoing funding to the Group as and when required if other avenues of fundraising are unsuccessful or delayed. In addition, PEAK has also provided a formal loan drawdown facility for an amount of up to \$1.4m to the Group. PEAK further covenants not to call for repayment of any drawdowns made by the Group until at least 30 June 2025; and - Further, the Group and PEAK have agreed and entered into a mandate for capital raising for the period up to 30 June 2025. 	

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: Yes, on the basis of the measures and steps undertaken in 8.6.1 and 8.6.2 above.

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.

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.

Authorised by the Board of Directors on 30 April 2024

On behalf of the Board,

Jonathan Hart

Company Secretary

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.