



16 July 2024

## APPENDIX 4C & QUARTERLY ACTIVITY REPORT – QUARTER ENDING 30 JUNE 2024

The directors of Saferoads Holdings Limited (**ASX: SRH**) provide the following update:

### 4<sup>th</sup> Quarter Financial Highlights (unaudited)

- Trading revenue of \$2.48m down 27% on the prior corresponding period (PCP)
  - Rental income of \$1.38m up 11% on PCP
  - Product revenue of \$1.10m down 49% on PCP
- Our net core borrowings (excluding overdraft) reduced by \$228k

### Group Activity & Business Updates

#### Exclusive Agreement for Distribution of the HV2 Barrier

As previously announced, the company has entered into an agreement with TrafFix Devices to exclusively distribute the HV2 temporary barrier in the USA, Canada, and Mexico. TrafFix Devices have received a strong level of industry interest after formally launching the product at the American Traffic Safety Services Association Convention & Traffic Expo and the company believes there are good prospects for significant orders from the North American market during the 2025 financial year.

#### WorkSafe Case

As previously announced, the company was sentenced to pay fines totalling \$650,000 in relation to the November 2021 workplace fatality. Fines Victoria has agreed to the company's payment plan of \$10,000 per month. The monthly payments commence during August 2024 and will continue until the fines have been paid in full. No interest is payable on the balance outstanding.

#### Finance Facility

The company remains in breach of its lending ratio covenant but continues to retain the support of its bankers, with drawdowns on the asset finance facility still possible for rental fleet purchases required for long-term contracted opportunities. No drawdowns on the asset finance facility were made during the quarter ending 30 June 2024.

This announcement has been authorised for release by the Board.



**Enquiries/Additional Information:**

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**ABOUT SAFEROADS**

Saferoads is an ASX listed company specialising in providing innovative safety solutions. Headquartered in Pakenham, Victoria with representation across Australia, New Zealand and the USA, the company provides state government departments, local councils, road construction companies and equipment hire companies with a broad range of products and services designed to direct, protect, inform and illuminate for the public's safety.

## Appendix 4C

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

**Name of entity**

Saferoads Holdings Limited

**ABN**

81 116 668 538

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

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,417	13,547
1.2 Payments for		
(a) research and development	(5)	(68)
(b) product manufacturing and operating costs	(1,707)	(6,604)
(c) advertising and marketing	(57)	(200)
(d) leased assets	(183)	(630)
(e) staff costs	(974)	(4,179)
(f) administration and corporate costs	(347)	(1,451)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(86)	(343)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	396
1.8 Other (provide details if material)	(13)	(13)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>45</b>	<b>457</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	(19)	(701)
(d) investments	-	-
(e) intellectual property	(9)	(230)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	24	88
	(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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(843)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	437
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	(5)	(19)
3.5	Proceeds from borrowings	-	596
3.6	Repayment of borrowings	(270)	(1,210)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(275)</b>	<b>(196)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	(128)	220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	45	457
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(843)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(275)	(196)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>(362)</b>	<b>(362)</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	-	-
5.2	Call deposits	-	-
5.3	Bank overdrafts	(362)	(128)
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(362)</b>	<b>(128)</b>

<b>6.</b>	<b>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	254
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

The amount at item 6.1 includes gross salary and superannuation payments to the Managing Director, Chief Financial Officer, and Chief Operating Officer of \$198k, non-executive Directors fees of \$32k, and \$24k in payments to entities made at normal commercial rates and conditions for certain manufacturing materials and design and computer modelling services related to the Managing Director. The Managing Director received no direct benefit from these related entity payments.

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

<b>7. 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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>																																												
7.1 Loan facilities	3,574	2,614																																										
7.2 Credit standby arrangements	-	-																																										
7.3 Other (please specify)	-	-																																										
<b>7.4 Total financing facilities</b>	<b>3,574</b>	<b>2,614</b>																																										
<b>7.5 Unused financing facilities available at quarter end</b>		<b>960</b>																																										
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.																																												
	<table border="1"> <thead> <tr> <th>Lender</th> <th>Product</th> <th>Facility Limit</th> <th>Utilised</th> <th>Available</th> <th>Interest Rate</th> <th>Maturity</th> </tr> </thead> <tbody> <tr> <td>CBA</td> <td>Asset Finance</td> <td>2,000,000</td> <td>1,237,338</td> <td>762,662*</td> <td>Various</td> <td>N/A</td> </tr> <tr> <td>CBA</td> <td>Term Loan</td> <td>999,015</td> <td>997,809</td> <td>1,206</td> <td>8.00%</td> <td>10-Dec-24</td> </tr> <tr> <td>CBA</td> <td>Overdraft</td> <td>500,000</td> <td>361,716</td> <td>138,284</td> <td>9.12%</td> <td>N/A</td> </tr> <tr> <td>CBA</td> <td>Charge Card</td> <td>75,000</td> <td>17,630</td> <td>57,370</td> <td>17.99%</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> <td><u>3,574,015</u></td> <td><u>2,614,493</u></td> <td><u>959,522</u></td> <td></td> <td></td> </tr> </tbody> </table>	Lender	Product	Facility Limit	Utilised	Available	Interest Rate	Maturity	CBA	Asset Finance	2,000,000	1,237,338	762,662*	Various	N/A	CBA	Term Loan	999,015	997,809	1,206	8.00%	10-Dec-24	CBA	Overdraft	500,000	361,716	138,284	9.12%	N/A	CBA	Charge Card	75,000	17,630	57,370	17.99%	N/A			<u>3,574,015</u>	<u>2,614,493</u>	<u>959,522</u>			
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	<p>The bank facilities are secured by a registered charge over certain assets and undertakings. *While the Group remains in breach of its lending ratio covenant, drawdowns on the Asset Finance Facility are at the discretion of the CBA and may be limited to asset purchases required for long-term rental income opportunities supported by signed customer contracts.</p>																																											

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	45
8.2 Cash and cash equivalents at quarter end (item 4.6)	(362)
8.3 Unused finance facilities available at quarter end (item 7.5)	960
8.4 Total available funding (item 8.2 + item 8.3)	197 (ex. Asset Finance)
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
	<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: 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

*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.

Date: 16 July 2024

Authorised by: the Board of Saferoads Holdings Limited

## 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.