ASX Announcement | 29 July 2024
AdAlta Limited (ASX:1AD)

QUARTERLY ACTIVITIES REPORT – JUNE QUARTER 2024

Strengthened cash position; partnering advancing in two business units

Key highlights

- Memorandum of understanding with SYNthesis BioVentures to establish AdCella to execute AdAlta's "east to west" cellular immunotherapy for solid cancers strategy
- Master Services Agreement executed to establish Cell Therapies Pty Ltd as AdCella's preferred manufacturing partner
- Partnering and co-development discussions progressed to advance AD-214 into Phase II clinical trials in AdSolis subsidiary
- Positive results from preliminary work on a subcutaneous formulation of AD-214
- Cash position improved with flexible institutional investment facility, exercise of listed options and alignment of Victorian Government RDTI Advance Loan Facility repayment with next RDTI rebate

AdAlta Limited (ASX:1AD) ("AdAlta" or "the Company"), developer of the clinical stage i-body® platform and other novel protein and cell therapeutic products is pleased to announce its Appendix 4C cash flow report for the quarter ended 30 June 2024 (Q4 FY24), along with the following financial and operational update.

The quarter featured the establishment of subsidiary AdCella Pty Ltd and collaborations with SYNthesis BioVentures (SYNBV) and Cell Therapies Pty Ltd (CTPL) to advance AdAlta's "east to west" cellular immunotherapy strategy, providing a pathway to an expanded clinical stage pipeline. AdAlta also advanced partnering discussions for AdSolis Pty Ltd, the subsidiary undertaking the development of AD-214 and work on the next generation subcutaneous formulation of AD-214.

The Company also reported a substantially strengthened cash position in its Q4 FY24. This improvement was due to inflows of $1.2 million from a new flexible institutional investment of up to $3.7 million and by $1.9 million from the exercise of listed AdAlta options, as well as reduced expenditure following completion of the AD-214 Phase I clinical trial. The Company's cash balance as at the end of June 2024 was $3.13 million (approximately double the $1.51 million cash position at 31 March 2024).

Reflecting on the quarter, AdAlta's CEO and Managing Director, Dr Tim Oldham commented:

"The establishment of AdCella to provide a pathway for cellular immunotherapy innovations from across Asia to advance into Western-regulated markets provides clarity and focus to our efforts to build a clinical stage pipeline beyond AD-214. Our partnerships with strategic investor SYNthesis BioVentures and our preferred manufacturer Cell Therapies Pty Ltd, together with a pipeline of over ten potential assets now under due diligence, gave AdCella's launch significant momentum.

"Our ongoing discussions with potential partners and investors continue to give us confidence in our ability to advance AD-214 into Phase II clinical trials, either by out-licensing or co-developing with third party investment in our AdSolis subsidiary. We were pleasantly surprised by significant new interest emerging from the BIO24 Conference in San Diego, complementing our existing discussions.

"AdAlta begins its new financial year in a strong cash position as a result of substantial new institutional investments from New Life Sciences Capital and existing shareholders, the Meurs Group and Stuart Morris. These also provide us with access to additional funds as required."

A. Operations overview

1. AdSolis – a new approach to fibrotic disease

Priority: generate a return on investment by securing non-dilutive financing of Phase II clinical studies that realises value created by AdAlta

AdAlta's lead product, AD-214, is a first in class, next generation antibody therapeutic for the treatment of fibrotic diseases including:

- Lung fibrosis (specifically Idiopathic Pulmonary Fibrosis (IPF) and Interstitial Lung Disease (ILD))
- Kidney fibrosis
- Eye fibrosis and
- Some cancers.

The Company's priority is to finance progression of AD-214 into Phase II clinical studies in IPF or kidney fibrosis, through out-licensing or co-development partnerships with its AdSolis subsidiary.

Partnering momentum continues to trend positively

The Company's executive team conducted roadshows in North America during Q4 FY24. They also attended the annual BIO24 biotechnology industry partnering conference in San Diego in June 2024.

While a key purpose of these marketing initiatives was to progress existing AdSolis pipeline discussions, they also generated an additional surprising (and highly positive) outcome in the form of a number of high quality, in-bound enquiries from new licensing partner and investor prospects, including newly formed, venture backed companies. These reflect the record levels of venture capital raised in the US during 2023 that is now needing to be deployed, and these new enquiries have added significant additional momentum and competitive tension to AdAlta's partnering discussions.

One example of these newly formed companies has a therapeutic focus on "lung-related fibrotic conditions, skin-related fibrosis and pulmonary arterial hypertension". They have seed funding from a venture capital firm that has backed the leadership team in the past and has committed to substantial funding on in-licensing the right assets. This company is actively seeking in-licensing and collaboration opportunities at pre-clinical, Investigational New Drug (IND)-ready, or early clinical stage and described AD-214 as fitting perfectly with its strategy.

A second example has already raised several hundred million dollars from blue chip life sciences investors and established a big data and artificial intelligence platform for drug target and candidate selection and optimisation, along with a discovery pipeline. To accelerate time to value creation, they are looking to in-license late-stage pre-clinical to early-stage clinical assets in "the inflammation and immunology space including a focus on fibrosis", precisely where AD-214 is positioned.

Subcutaneous delivery continues to pass feasibility assessments

The potential to deliver AD-214 via subcutaneous injection (in addition to intravenous infusion) is seen as a significant value-add by partners.

Experiments during the quarter showed that AD-214 could be concentrated to levels sufficient to deliver target doses in volumes below the 1.5 mL maximum considered feasible for subcutaneous injection without showing signs of aggregation or unacceptably high viscosity. A number of technology providers have been identified who can further assist with formulation development. These results complement AdAlta's previous modelling and simulation studies of subcutaneous injection, increasing the Company's confidence that this more patient convenient and potentially lower cost route of administration can be successfully developed.

2. AdCella – “east to west” cellular immunotherapies

AdAlta announced the creation of AdCella Pty Ltd (AdCella) in April 2024, providing clarity and focus to AdAlta’s strategy of building out its product development business and clinical stage pipeline by in-licensing assets that complement the i-body® platform. AdCella will focus on cellular immunotherapies (living drugs based on engineered human cells), a rapidly growing market that is transforming outcomes in blood cancer and is now poised to do so in solid cancers and non-cancer indications. Asia, and China in particular, is leading innovation in this field with around half of all companies and 60% of all clinical trials found in Asia. Australia has specific and globally recognised expertise in cellular immunotherapy manufacturing and clinical trials.

AdCella’s objective is to be a force multiplier for Asian innovators by providing a pathway for clinic ready assets to access Western-regulated markets. With AdCella as their bridge to the latter target markets, partner companies will gain unique access to:

- Australia’s cellular immunotherapy clinical and manufacturing ecosystem
- AdAlta’s capabilities to conduct clinical trials acceptable to US FDA
- AdAlta’s i-body® platform for the next generation of multi-functional cellular immunotherapy products in their pipeline and
- Access to both public and private sources of capital.

In addition, Australian patients may benefit from earlier access to these new therapies than would otherwise be possible without AdCella.

By licensing or acquiring global (outside Asia) commercialisation rights to these products in return for conducting initial clinical trials for Western-regulated markets in Australia, AdCella could add significant value to these assets for both AdCella and its licensing partners. AdAlta’s i-body® platform can also be made available to these partners to enhance their future pipelines.

In this way, AdCella aims to develop a pipeline of novel, multi-functional cellular immunotherapy products addressing the challenges of trafficking, targeting and immune suppression in solid tumours and non-cancer indications.

In April 2024, AdAlta announced the execution of a Memorandum of Understanding (MoU) with SYNthesis BioVentures (SYNBV) to investigate the formation of AdCella. Successfully achieving the objectives of the MoU would result in SYNBV becoming an investor and joint owner of AdCella. SYNBV’s deep expertise in cross border transactions and access to alternative capital sources, especially with China, is highly complementary to AdAlta’s operational and technology skills and enables AdAlta to accelerate execution of its strategy. SYNBV and AdAlta are collaborating over an initial term of six months (with option to extend a further six months) to complete due diligence on more than ten cellular immunotherapy assets with a view to selecting an initial portfolio for AdCella. Many of these candidates have already generated clinical data in their “home” markets, substantially reducing the risk of the initial clinical trials in Australia.

In May 2024, AdAlta further strengthened AdCella’s execution capabilities by entering a Master Services Agreement (MSA) establishing Cell Therapies Pty Ltd (CTPL) as AdCella’s preferred manufacturer of cellular immunotherapies. This collaboration provides AdCella with access to expertise in cellular immunotherapy process development, manufacturing and supply chain management. CTPL is Australia’s leading commercial contract development and manufacturing company specializing in cell therapy, gene therapy, regenerative medicine, and cellular immunotherapy products. CTPL’s expert team and world-class facilities have been developing and manufacturing cutting edge treatments for cancer and rare diseases on behalf of local and international clients for more than 20 years and have been approved for commercial CAR-T cell therapy supply to Australia (TGA) and Japan (PMDA).

The combination of AdAlta’s i-body® platform, SYNBV and CTPL demonstrates AdCella’s capability to execute its strategy and is being well received by both Asian partners and global investors, a clear forward indicator that AdCella will gain access to the products and capital required to underwrite its future growth.

3. i-body discovery – going where antibody drugs cannot

AdAlta's i-body® platform continues to enable early discovery and preclinical development programs across a range of drug formats and targets. AdAlta's discovery business includes:

- Ongoing immuno-oncology co-development programs with Carina Biotech (i-CAR-T), GE Healthcare (i-PET imaging) and GPCR Therapeutics (CXCR4 i-body® combination therapies)
- Internal discovery programs supporting AdCella; and
- Potential applications of the new antimalarial i-body® discovered with La Trobe University (see ASX announcement dated 19 December 2023).

Progress on internal discovery programs has been intentionally slowed to increase focus on AdSolis and AdCella partnering programs.

4. Near term objectives

AdAlta's objectives for the next six months include:

Goal	Target as at 31 Mar 2024	Target as at 30 Jun 2024
AdSolis		
Full safety and tolerability results for AD-214 Phase I extension study	Achieved (Mar'24)	Achieved (Mar'24)
Securing licensing or financing partnerships to finance Phase II clinical studies	-	Near term goal[1]
AdCella		
Complete establishment of AdCella under SYNBV MoU – license initial asset(s)	Q4 CY24	Q4 CY24[1]
i-body discovery		
In vivo proof of concept results of A-i-CAR-T cells (Carina collaboration)	H2 CY24	H2 CY24
Discovery programs for targets B and C continue (Carina collaboration)	Due to complete H2 CY24	Initial binder panel H2 CY24
Commence discovery on two new "catalogue" targets for i-CAR-T	Commenced	Initial binder panel TBD

[1] AdAlta is not explicitly forecasting the timing or value of any future potential partnering or licensing deal for AD-214 or in-licensing deal for AdCella.

B. Corporate and organization updates – new institutional investment for up to $3.7 million

As announced in the previous 4C quarterly activities report, AdAlta has secured two new institutional investments together amounting to up to $3.7 million from New Life Sciences Capital, LLC (NLSC) and an entity associated with leading existing shareholder the Meurs Group **(**together Investors**)**. The initial investment tranches amounting to $1.2 million were received during AdAlta's Q4 FY24. The Company utilised its existing and available placement capacity under Listing Rule 7.1 to agree the initial investment. Subsequent investments, should the Company elect to draw them down, will be undertaken only if placement capacity under Listing Rule 7.1 is available. An Extraordinary General Meeting held on 23 July 2024 ratified the initial investment tranches from both Investors and approved the second investment right under the Meurs Group investment.

Also during the quarter, AdAlta raised $1.9 million from the exercise of 1ADOA listed options. In 2023 AdAlta issued 173,075,186 options as part of private placements and entitlement offers (1ADOA Options). These options had an exercise price of $0.03 per share, and an expiry date of 29 May 2024. At the expiry date, 62,570,306 (36.2%) options were exercised (and an equal number of new shares were issued), raising $1,877,109 at a 20% premium to the closing price of AdAlta shares on 29 May 2024 of $0.025 per share. The new equity generated by these exercised options included an investment of $1.8 million made by an entity associated with Stuart Morris, one of AdAlta's top 5 shareholders. As a result of this investment, Mr Morris increased his holding in AdAlta to 16.36%.

These funds provide important strategic flexibility for AdAlta, enabling the Company to progress establishment of AdCella and to progress internal i-body® programs independently of the availability of funding from ongoing partnering initiatives for AD-214.

The Company issued 1,325,000 options to employees during the period under the Company's Omnibus Equity Plan.

C. Financial position – cash reserves secured with new financing and extension of RDTI Loan Facility

Net operating cash outflows for Q4 FY24 were $1,386,654 (versus outflows of $1,569,840 in the prior quarter). Operating cash outflows reduced by $183,186 and included the majority of the remaining costs associated with the AD-214 Phase I clinical trial completed in March 2024. Quarterly cash requirements, before transaction costs, are anticipated to continue to decline until the potential execution of transactions in respect of AdSolis and AdCella.

The cash balance at the end of the quarter was A$3.13 million (versus A$1.51 million at the end of the previous quarter).

In April 2024, the Company finalised an extension of the Treasury Corporation of Victoria (TCV) loan facility (Facility) as part of the Victorian Government's R&D Cash Flow Loan Initiative. Full repayment of the facility is now aligned with anticipated receipt of AdAlta's Research and Development Tax Incentive (RDTI) rebate in respect of FY2024.

The table below outlines the amended terms of the Facility as agreed by AdAlta and Invest Victoria.

	Endorsed Amended Terms
Facility amount as at date of announcement	$1,400,000
Repayment	By 31 October 2024*
Interest rate	TCV 11am loan interest rate (currently 4.515%)**
Security	FY24 RDTI refund

* Expected to be repaid upon receipt of 2024FY RDTI
** Any overdue instalment payments may also attract an additional 2% interest.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C were $122,507 which include Director fees plus the salary (including superannuation) for the CEO and Managing Director.

D. Summary

The final quarter of AdAlta's FY2024 has seen the Company clarify and focus its growth strategy beyond AD-214, establishing AdCella to pursue opportunities in the high growth cellular immunotherapy field by providing a pathway for Asian innovation to progress into Western-regulated environments. Collaborations with SYNBV and CTPL add important capabilities to attract pipeline opportunities and support due diligence on initial asset candidates. In parallel, unexpected but exciting potential new licensing and co-development partners have emerged for AdSolis, increasing momentum and competitive tension towards transactions financing Phase II clinical studies for AD-214. The additional financing raised during the June 2024 quarter and the further funds available in future from these facilities enable the Company to advance both AdSolis and AdCella strategies with confidence into FY2025.

For a video summary of this release and opportunity to engage in a virtual discussion see:
https://investorhub.adalta.com.au/link/5PmnRy

This ASX announcement has been authorised for release by the Board of AdAlta Limited (ASX:1AD).

For further information, please contact:

AdAlta Limited (ASX:1AD)
Tim Oldham
CEO & Managing Director
P: +61 3 9479 5159
E: t.oldham@adalta.com.au

Media & Investor Enquiries
The Capital Network
Julia Maguire
P: +61 2 8999 3699
E: julia@thecapitalnetwork.com.au

About AdAlta Limited

AdAlta Limited (ASX:1AD) is a clinical stage drug development company headquartered in Melbourne, Australia. The Company is using its proprietary i-body® technology platform to solve challenging drug targeting problems and generate a promising new class of single domain antibody-enabled protein and cell therapeutics with the potential to treat some of today's most challenging medical conditions.

The i-body® technology creates a range of unique proteins capable of interacting with high selectivity, specificity and affinity with previously difficult to access targets such as G-protein coupled receptors (GPCRs) that are implicated in many serious diseases. i-bodies are the first fully human single domain antibody scaffold and the first based on the shark motif to reach clinical trials.

AdAlta's strategy is to maximise the products developed using its next generation i-body® platform by discovering and developing selected i-body®-enabled product candidates useful in fibrosis, inflammation and cancer; and partnering with other biopharmaceutical companies to develop these and other product candidates in a range of indications and product formats

AdAlta's current lead i-body® enabled candidate is AD-214, which is taking a wholly new approach to treat lung fibrosis (IPF) and other fibrotic diseases. In accord with its business model, AdAlta is creating a private, unlisted subsidiary called AdSolis to advance AD-214 into Phase II clinical trials through licensing and/or third-party investment.

AdAlta believes that the i-body® technology is ideally suited for use in the creation of advanced cellular immunotherapies for cancer and that this field represents an opportunity to expand its clinical stage pipeline. It has entered a Memorandum of Understanding with SYNthesis BioVentures to investigate the formation of a jointly owned entity, to be called AdCella, that, once established, will provide innovative cellular immunotherapies originating in Asia with a pathway to western regulated markets via Australian clinical trials and further enhancement with AdAlta's i-body® technology.

The Company is also entering collaborative discovery partnerships to advance the development of its i-body® platform. It has a collaboration with Carina Biotech to codevelop precision engineered, i-body® enabled CAR-T cell therapies (i-CAR-T) to bring new hope to patients with cancer. It has an agreement with GE Healthcare to co-develop i-bodies as diagnostic imaging agents (i-PET imaging) against Granzyme B, a biomarker of response to immuno-oncology drugs, a program now in preclinical development.

For more information

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Appendix 4C

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

Name of entity	
ADALTA LIMITED	
ABN	**Quarter ended ("current quarter")**
92 120 332 925	30 June 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(581)	(3,881)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(385)	(1,762)
	(f) administration and corporate costs	(412)	(1,847)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	46
1.5	Interest and other costs of finance paid	(16)	(115)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	2,352
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,388)**	**(5,207)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(63)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(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	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	-	**(63)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,532
3.2	Proceeds from issue of convertible debt securities	1,200	1,200
3.3	Proceeds from exercise of options	1,877	1,877
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(69)	(340)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(2,600)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – (provide details if material)	-	(56)
3.10	**Net cash from / (used in) financing activities**	**3,008**	**3,613**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,513	4,790
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,388)	(5,207)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(63)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,008	3,613
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,133**	**3,133**

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	89	347
5.2	Call deposits	3,044	1,166
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)**	**3,133**	**1,513**

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	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

The amount at 6.1 includes Director fees and CEO and Managing Director salary (including superannuation).

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,400	1,400
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**1,400**	**1,400**

7.5	**Unused financing facilities available at quarter end**	-

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 facility in place as at 30 June 2024 is a non-dilutive funding facility with Treasury Corporation of Victoria (TCV) as part of the Victorian Government's R&D Cash Flow Loan Initiative.

The table below outlines the terms of the Facility as announced on 29 April 2024 following amendments agreed by AdAlta Limited and Invest Victoria. Full repayment of the facility is expected to be upon receipt of AdAlta's Research and Development Tax Incentive (RDTI) rebate in respect of FY2024.

	Endorsed Amended Terms
Facility amount as at date of announcement	$1,400,000
Repayment	By 31 October 2024*
Interest rate	TCV 11am loan interest rate (currently 4.515%)**
Security	FY24 RDTI refund

* Expected to be repaid upon receipt of RDTI rebate in respect of FY2024 year
** Any overdue instalment payments may also attract an additional 2% interest.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,388)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	3,133
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	3,133
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**2.3**

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.

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.

29 July 2024

Date: .....

The Board

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.