

## Quarterly Report for the Period Ended 31 Dec. 2020

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UUV Aquabotix Ltd (ASX:UUV and UUVOA) (the "Company") provides the following update on its activities during the three-month period ended 31 December 2020 and its Appendix 4C quarterly cash flow report for the same period.

### Key Highlights:

- Winton Willesee appointed as a Director of the Company and Chairman of the Board
- Eryln Dale and James Bahen appointed as Non-Executive Directors of the Company
- The Company completed the successful placement of the shortfall from its Rights Issue, raising A\$583,823 before costs
- The Company's wholly-owned, US-based subsidiary Aquabotix Technology Corporation ("ATC") has ceased the active conduct of its business operations during the period.

### Board Changes:

Over the period, there were a number of Board Changes. The Company is pleased to have appointed Winton Willesee, Eryln Dale, and James Bahen as Directors of the Company. Concurrently, Peter James, Robert Clisdell, and Jay Cohen retired from their roles on the Board. The Company thanks Mr James, Mr Clisdell, and Mr Cohen for their service to the Company during their time in office and wishes them well in their future endeavors.

Winton Willesee is an experienced corporate professional with a broad range of skills and experience in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance. Mr Willesee has considerable experience with ASX listed and other companies at stages of development from inception to maturity over a broad range of industries, having held directorships, chairmanships and company secretarial positions with a number of ASX-listed companies over many years.

Mr Willesee holds formal qualifications in Commerce, Economics and Finance, Accounting, Finance and Investment, Corporate Governance and Education. He is a Fellow of the Financial Services Institute of Australasia, the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators, a Graduate of the Australian Institute of Company Directors and a Member of CPA Australia.

Eryln Dale is an experienced corporate professional with a broad range of corporate governance and capital markets experience, having been involved with several public company listings, merger and acquisition transactions and capital raisings for ASX-listed companies across a diverse range of industries. Miss Dale holds a Bachelor of Commerce (Accounting and Finance) and a Graduate Diploma in Applied Corporate Governance. She is a member of the Governance Institute of Australia/Chartered Secretary.

James Bahen is a corporate advisory executive and Chartered Secretary who commenced his career in audit and assurance with a chartered accounting firm. He is currently a Non-Executive Director and Company Secretary of a number of ASX listed companies and is experienced in navigating the various ASX listing rule requirements in matters such as acquisitions/disposals and capital raisings. Mr Bahen is a member of the Governance Institute of Australia and holds a

# AQUABOTIX

Graduate Diploma of Applied Finance and a Bachelor of Commerce degree majoring in Accounting and Finance.

## **Financing and Equity Updates:**

The Company announced the successful placement of the shortfall from its Rights Issue in October 2020. During the period, the Company issued 583,823,000 Fully Paid Ordinary Shares and 389,215,334 UUVOA Listed Options, including the fee options approved by shareholders on 30 September 2020, to raise A\$583,823 before costs.

The Company also announced it has issued 12,307,205 Fully Paid Ordinary Shares and 49,043,979 UUVOA Listed Options to its US employees in lieu of a portion of the cash fees for remuneration owed by the Company to 1 October 2020.

The US\$600 credit facility announced on 28 January 2020 was terminated by mutual consent of the parties.

The Company is now well funded for its next chapter of development.

## **ATC Ceasing Active Conduct:**

In November, the Company advised that its wholly-owned, US-based subsidiary Aquabotix Technology Corporation ("ATC") ceased the active conduct of its business operations. The pressures on the global economy and the business of ATC, both generally, and as a result of the then ongoing legal dispute between Aquabotix and Apium, had made further capital investment in these operations unlikely at that time. Following shortly after that announcement, in December 2020, ATC filed for Chapter 7 bankruptcy in the United States Bankruptcy Court for the District of Massachusetts.

With regard to the legal dispute between ATC and Apium, the Company notes that the filing of bankruptcy automatically stays the action, and a formal Notice of Stay of Proceedings due to filing of bankruptcy was filed in December in the United States District Court, Central District of California.

## **Operational expenditure and payments to related parties**

As noted in its Appendix 4C, during the quarter the Company expended a gross total, excluding revenue sources, of \$398,000 on the operations of the Company. This was materially made up of staff costs (\$175,000), administrative and corporate costs (\$126,000) and ATC bankruptcy costs (\$77,000). The Company notes that with the end of trading for ATC the cash requirements of the Company will decrease significantly.

Further, payments to related parties and their associates as detailed in Section 6 of the Appendix 4C are Payments for director fees (\$20,244) and corporate services, accounting and company secretarial fees (\$17,270).

## **Authority**

This announcement has been authorised for release by the Board of Directors of the Company.

## **Further Information**

Winton Willesee  
Chairman  
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# AQUABOTIX

ENDS

## About UUV Aquabotix Limited

Based in Australia, Aquabotix formerly was an established underwater robotics company which manufactured and sold commercial and industrial-grade underwater drones for commercial, high-end consumer and military applications. Having cease its operations in the US it is now seeking new opportunities. Please visit [www.aquabotix.com](http://www.aquabotix.com)

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## Appendix 4C

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

**Name of entity**

UUV Aquabotix Limited

**ABN**

52 616 062 072

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

31 December 2020

<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	159	590
1.2 Payments for		
(a) research and development	(10)	(67)
(b) product manufacturing and operating costs	(5)	(212)
(c) advertising and marketing	(8)	(9)
(d) leased assets	0	0
(e) staff costs	(175)	(679)
(f) administration and corporate costs	(126)	(630)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	0	(4)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	3	174
1.8 Other (Bankruptcy Costs)	(77)	(77)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(239)</b>	<b>(914)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	583	1,768
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(49)	(159)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	(24)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>534</b>	<b>1,586</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	636	260
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(239)	(914)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

<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)	534	1,586
4.5	Effect of movement in exchange rates on cash held	(15)	(16)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>916</b>	<b>916</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	911	635
5.2	Call deposits	5	1
5.3	Bank overdrafts		
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>916</b>	<b>636</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	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
Payments at section 6. relates to director fees (\$20,000) and corporate services and company secretarial fees (\$17,000).		

<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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 <b>Total financing facilities</b>	0	0
7.5 <b>Unused financing facilities available at quarter end</b>		0
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.	

<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)	(239)
8.2 Cash and cash equivalents at quarter end (item 4.6)	916
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	916
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.83
<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: 29 January 2021  
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Authorised by: The Board of Directors  
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(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.

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