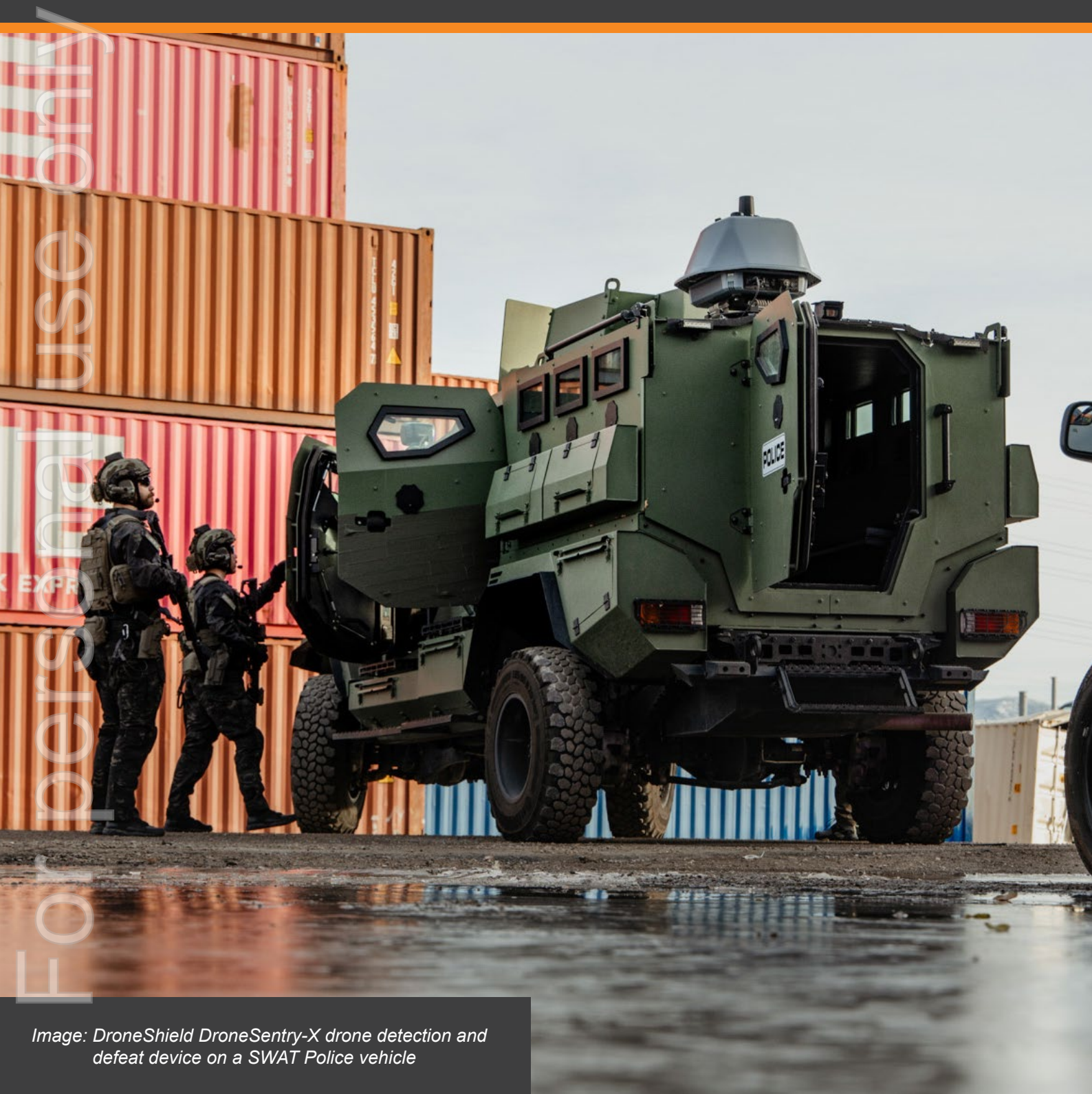




**DRONESHIELD**

## Quarterly Report

For the period ending  
31 December 2024



*Image: DroneShield DroneSentry-X drone detection and defeat device on a SWAT Police vehicle*

**DroneShield Limited (ASX:DRO)**

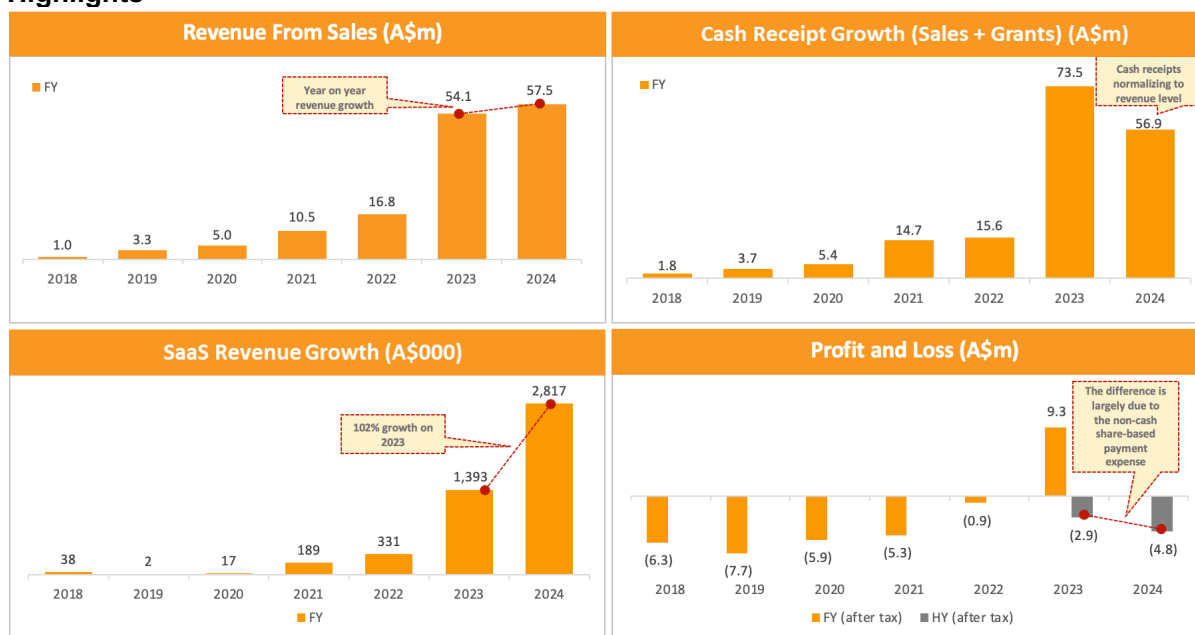
ASX Release

ABN 26 608 915 859

## Quarterly Activities/Appendix 4C Cash Flow Report

**DroneShield Limited (ASX:DRO)** ("DroneShield" or the "Company") is pleased to release its business update and Appendix 4C for the three-month period ended 31 December 2024.

### Highlights



*Note: 2024 revenue results are preliminary estimates. The audited results (including the 2024 P&L) are due in February 2025, as part of the 2024 Annual Report.*

2024 has seen a slower revenue growth than expected, due to a number of pipeline projects taking longer to complete than expected. However **2025 is showing a strong start**, including **\$36 million of revenue** already either received or under committed Purchase Orders (for delivery in 2025) as of end of January 2025 (with 11 months of the year to go), and **\$33.4 million contracted backlog** expected to be received as cash in 1H25.

- 2024 revenues of **\$57.5 million**<sup>1</sup>
  - 2023 revenue was \$54.1 million
  - YoY headline growth of 6.3%, but the growth of the underlying "flow business" (regular smaller deals) was significantly larger
    - 2023 had a \$33 million deal, while all of the 2024 revenue was earned via the smaller deals (\$13.5 million as the largest)
    - There are 10 deals in excess of \$30 million currently in the pipeline, positioning 2025 favourably both in terms of larger one-offs and the flow business
- \$33.4 million contracted backlog**
  - 100% of the backlog amount is expected to be received in 1H25
  - Backlog is defined as cash receipts to be realized from existing purchase orders, including scenarios where:
    - the goods have been delivered and the payment is due shortly (\$3.4m),
    - the goods are yet to be delivered, being in the process of manufacturing (\$18.1m),
    - the goods are yet to be delivered due to awaiting on export permits (\$8.4m), or

<sup>1</sup> Preliminary estimates. The audited results are due in February 2025, as part of the 2024 Annual Report.

- R&D projects (\$3.5m)
- **2024 SaaS revenues of \$2.8 million, up 100% vs 2023 (\$1.4 million)**
  - Customers desire the Company's latest AI software engines on their DroneShield hardware devices, upgraded quarterly on SaaS basis, in response to a rapidly evolving drone threat
  - As the hardware becomes more flexible/open-ended with each generation of the product, the **software updates are expected to play an increasing role and be critical to effectiveness, and are expected to increase the recurring revenues of the business**
  - Additional SaaS based solutions (such as DroneSentry-C2 Enterprise Edition) planned for launch in the next 12 months
  - The DroneShield Access Portal, which is the customer secure online interface for subscription updates, is due to receive a significant overhaul in 1H25, as part of the customer subscription model value-add and focus on growing subscriptions as part of the overall revenue
- Significant cash balance of \$220.6 million as at 31 December 2024
  - Up \$162.7 million from 31 December 2023 cash balance of \$57.9 million
  - \$235 million raised during 2024 towards team scale up, build up of inventory, R&D investment, potential strategic bolt-on acquisitions, and working capital
  - The cash balance enables the Company to continuously invest in short and long-term R&D programs as well as sales and operations, enables growth in a rapidly changing C-UAS sector, attracts high calibre employees and allows long term planning
    - As the complexity of technology and engineering teams increases, next gen technology projects require 18-24 months from initial scoping to mass production – this is still substantially more rapid than traditional defence contracting
    - The product releases are staggered, for example two new hardware releases are due out in the current 1Q25, in response to market demand for new variants of [DroneGun Mk4](#) and [RfPatrol Mk2](#)
  - Current cash cost base (before revenues, and inventory cost) is approximately \$4.5-5 million a month. It is less on a P&L basis due to capitalisation of the R&D, reflecting the long term nature of the R&D benefits
  - DroneShield has a simple, clean balance sheet with no debt, and using stock options to create alignment between its employees and shareholders
- **2024 cash receipts of \$56.9 million**, vs 2023 cash receipts of \$73.5 million
  - 2023 had a material number of SaaS prepayments (cash received upfront for multi-year software subscriptions, while revenue recognised over time), and this normalised in 2024, to be in line with revenues
  - 2023 cash receipts included \$2.4 million in R&D tax incentive (now received as a tax offset)
- DroneShield is **well placed to deliver on short notice**, with over \$200 million in inventory (completed and in progress) by sale value held
  - Nathan Vardanega, a DroneShield leader with a track record of executing complex projects within the business, promoted to the Chief Operating Officer role in January 2025, as part of the Operations team rapid scale up
  - Inventory build-out is largely complete (not expected to grow substantially over the existing amount) – remaining committed inventory orders are expected to be offset by sales
  - Technology obsolescence is managed by providing quarterly AI software updates to a number of products, as well as forecasting inventory requirements by comparing sales pipeline vs the timeframe of release of the next generation of hardware across its products
  - The main reason for a material amount of inventory on hand is that the hardware has sophisticated componentry (assisting high margins and differentiation) with procurement/build time of 3-4 months, while customers have urgent requirements and are unable to wait months for delivery



- **Robust pipeline of \$1.2 billion<sup>2</sup>** (as at January 2025)
  - This corresponds to defined opportunities with current visibility in 2025 and 2026 (noting DroneShield year-end is December).
  - Does not include meaningful opportunities where DroneShield expects to play a role, where it is challenging to estimate dollar value due to the early stage of the project
  - Includes an allocation towards LAND156 program in Australia (rollout of C-UxS solutions across the Australian Defence Force)
    - o DroneShield is currently participating in the selection process for the Systems Integration Partner (SIP) which is expected to be announced mid 2025, followed by the selection process(es) for the various project components including hardware and software. The Company has been [scaling up the strategic sophistication of its Australian operation](#) for programs like LAND156, including the [visit by Hon Richard Marles](#), the Deputy Prime Minister and Minister for Defence
  - Buyers of C-UxS systems are aware of the need to fulfil their requirements, and are **gearing up for large acquisitions of C-UxS equipment**, following earlier smaller purchases and trials
  - **Significant ramp up in the Asia region** (especially countries neighboring China), as multiple Governments are commencing C-UxS programs against the threat of small Chinese drones conducting surveillance of sensitive areas, harassment and potential attacks
  - **The US is expected to continue to be a significant market for DroneShield** (~70% of 2024 and 2023 revenues), with a growing customer base across numerous government agencies, including military and non-military agencies
  - Drones are continuing to play a major role in the Ukraine war, including C-UxS foreign military aid into Ukraine, where DroneShield targets to continue receiving aid packages
  - In Europe, the NATO framework agreement awarded to DroneShield is expected to drive material sales, both directly and via the “halo effect” of being selected by the NATO authorities, such as the [\\$8.2 million contract](#) received in December 2024. The Denmark-based on-the-ground sales team, [who commenced in 2H24](#), are already generating sales
  - Latin America is expected to be an increasing revenue segment, with the [\\$9.7 million contract](#) announced in January 2025 and [appointment of Carlos Gutierrez](#) (previously SpaceX’s Senior Regional Sales Manager in LATAM) to lead the regional sales
  - With the larger C-UxS program acquisitions, the procurement times to award are longer for larger projects, due to additional probity requirements associated with larger deals. There are currently 34 separate sale opportunities, each in excess of \$5 million, in the \$1.2 billion sales pipeline.<sup>2</sup>
- Current team of 263 staff includes **197 engineers** driving technology development with quarterly AI software updates and 2-3 yearly hardware development cycles
  - 330 staff planned by mid 2025
  - A number of hires are recent, with productivity expected to get a boost as they ramp up
  - DroneShield receives significant amounts of cutting-edge tech intelligence on drone trends from Ukraine, Middle East and elsewhere globally via its network of tier 1 customer and partner relationships
  - Includes on the ground European, Middle East and Latin American sales staff
  - Australian deployments supported by several senior ex-ADF advisors as well as a senior in-house Government Affairs Advisor
- Substantial technology release roadmap, in response to the evolving drone threat, expected to continue underpinning sales growth
  - A significant lift up in technology sophistication is expected in the next generation of the products, establishing the baseline of technological differentiation for years to come
  - The new generation of hardware is expected for release in 2026, with the existing hardware along with software updates, enabling 2025 revenues

<sup>2</sup> There is no assurance that any of the Company’s sales opportunities will result in sales.



- Ukraine, South American, Middle Eastern and other global conflicts substantively use small drones
  - This is driving innovation in drone warfare, and as a result innovation in counterdrone (C-UxS) systems. DroneShield does not consider itself competing with other C-UxS companies in the market, but rather the drone technologies themselves
- An important milestone expansion of DroneShield's Sydney facility occurred, with the enlarged team expanding to a third floor in its Sydney HQ, and the current expansion of the Sydney HQ manufacturing space
  - ~3,900sqm at the Sydney HQ facility (up from 2,100 in 2024)
  - Supports up to \$500m p.a. in manufacturing capacity (together with two outsourced manufacturing partners), up to 330 personnel, and research labs including an anechoic chamber
  - Supports higher revenue (through higher R&D and production capacity)
  - Majority of the expanded space is for [DroneSentry-X Mk2](#) production (multi-mission vehicle/fixed site/vessel detect and defeat system), which is expected to drive significant revenue in 2025 and beyond, both standalone and as a multi-sensor system combined with radar and camera sensors underpinned by DroneShield's [DroneSentry-C2](#) command and control system
  - The associated increase in annual lease cost (and other costs) is not material. The fitout is expected to be covered via the landlord fitout incentive. DroneShield's own operations do not have substantial capex outlays associated with them, as only the final assembly and testing part of the manufacturing is performed at the Company's own facility, and the remainder is outsourced with strict specifications

## Outlook and Key Themes

The Trump presidency is expected to be an overall positive for the Company, with an anticipated additional investment into the US border security, defence and law enforcement, as well as fast tracking of C-UxS legislation, such as enabling a greater number of Government agencies to use C-UxS equipment. In regards to Ukraine, the [Financial Times](#) reported that the new administration will [continue supplying military aid packages](#), and there [does not appear to be a short term solution to end the war](#). Australia is well positioned for the ongoing alliance with the US under the new administration, the nuclear-powered submarines deal, the AUKUS regime, and the long-standing cooperation between the two countries.

Governments continue to scale up their defence budgets in response to the geopolitical deterioration. NATO members are increasing their defence budgets to 2% or more of their GDP, with [President Trump reportedly seeking to increase that target to 5%](#). Other countries such as Japan, South Korea and Taiwan, are continuing their substantial investments into defence.

Within the military sector, autonomous systems including AI and machine learning, continue to be the focus, and with it, the focus on C-UxS (across air, land and sea domains). Small drones continue to be used by bad actors, both State and non-State alike. C-UxS market **remains at a low saturation**. In terms of the evolution of drone technology, there appears to be **penetration of military technologies into what was originally a consumer technology space for small drones**, with a key focus to avoid detection and defeat of C-UxS systems. Ongoing technology effort is required to keep up with this challenge. DroneShield is well placed to meet this challenge due to its culture of rapid technology development and the significant recent bolstering of its team.

Regarding drone autonomy and the nature of drone missions (precision reconnaissance and strike capability), DroneShield's experience is that requiring "human in the loop" (and with it, the need for a pilot to control the drone) continues to be the most prevalent way to control drones and the radiofrequency based technology is unlikely to disappear, reinforced by the current trend of First Person View (FPV) drones. When doing surveillance, the need for timely information is critical - autonomous drones generally need to return to their pilots and have the video downloaded - this means the information is 1-2 hours old. In most cases this is too long. The current trend of real-

time FPV drones re-enforces this and the DroneShield has the ability to detect, track and defeat using our radiofrequency technologies.

Specifically in the Ukraine context, the development in FPV drone autonomy is going at a high pace, and it is already in a state where it is in operational use in the war in Ukraine both by Russian and Ukrainian forces. Last-mile-technology (LTM) is already a feature that can be selected by most of the FPV manufactures providing drones to Ukraine and presumably the same technology is valid on the enemy side. The current level of development requires in most cases (there are also modules that are doing automatic target recognition and able to select target, lock and attack autonomously) the operator to select "lock on target" before the vision based auto targeting module takes over control. After "locked" the video link is still maintained for the operator to do battle damage assessment and if the control link is not being cut due to electronic warfare (EW) jamming, the operator can take over control to more accurately hit the weakest spot of an enemy vehicle – or abort the mission. This means that RF detection is still relevant but for mitigation the jammer must be able to be effective at a distance greater than the FPV cam is able to identify and lock to target which currently is around 500m-1,000m (increasing with better cameras, and improved software) depending on environment, camera etc. Since power amplifiers (such as alientech) combined with directional high gain antennas are standard the power required for a jammer to be effective at 1,000m is significant and requires an intelligent EW approach to be feasible across a wide frequency range, unless being a truck-sized solution.

Autonomous precision strike operations tend to involve two flights by two different drones. The first flight, usually equipped with a camera, radar, or LiDAR, is for reconnaissance to map the target and flight paths. The captured data is then used for the direct strike mission using a visually guided drone as opposed to a GPS-guided drone. Thus, the ability to detect, track, and defeat UxS using DroneShield's radiofrequency (RF) technologies is still the most effective c-UxS approach.

Regarding the reported use of fibre-optic cables to control drones, there are significant limitations on their use, including entanglement of the lines to each other and trees, buildings etc (especially in adverse weather conditions), as well as the weight of the cables.

DroneShield's position as an integrator of multi-sensor systems gives its customers ability to use AI-powered sensorfusion with other modalities for detection (radar, acoustic, camera etc) and defeat (high-powered microwaves for authorised customers, in its partnership with [Epirus](#), laser etc).

Regarding drones using way-point navigation ("GPS-guided drones"), these do not appear to provide sufficiently accurate and precise satellite navigation in warzones such as Ukraine, where GNSS jamming and spoofing are common across wide areas. For outside of warzones, DroneShield's GNSS suppression capability is able to disrupt way-point navigation of the drones (where lawful for the customer to deploy). Remote Weapon Stations have a narrower market applicability, generally to warzones, and subject to technical, export control and collateral damage limitations.

The C-UxS program managers are seeing the rapid evolution of drones, which drives a degree of delay in larger acquisitions, for the concern of the purchased equipment not being fit for purpose within a couple of years. DroneShield is approaching this concern in a number of ways, including building a **higher degree of flexibility in its hardware** (with software updates driving the technology), as well as **commercial structures in its engagement that reflect the fast-changing technology landscape**. The Company also benefits from having a wide range of products, including handheld solutions, deploying [AI on edge also known as MicroAI](#) (in contrast with the server farms in the cloud, which is the more traditional deployment of AI, however not suitable for battlefield applications with no readily available network access at all times).

Outside of the military sector, the [New Jersey drone sightings](#) have brought a significant degree of nefarious drone awareness to the public. DroneShield has commenced ramping up its US law enforcement efforts some time ago, hiring Tom Adams, a well-regarded ex FBI officer, to lead that

work, and it is expected to contribute towards the revenues materially in 2025. These drone sightings have also accelerated pressure to enable a greater amount of US law enforcement to deploy drone defeat technologies (as opposed to detection only), which is also anticipated to grow sales.

While today the majority of hardware purchases are by first-time customers or by who require additional equipment to what they may already have, in the next 5-10 years significant sales are expected to be driven by the customers moving from the older to the latest generation of hardware. For some customers, this may also lead to C-UxS-as-a-Service model, with longer term contracts which include hardware purchase and refreshes, regular software updates, installation and field support. This is positive, as it reduces the lumpiness of cashflows.

While today the military is the majority of DroneShield's customer base, over time the civilian segments are expected to go through rapid acquisition cycles, likely triggered by incidents. The spread of such acquisitions will be assisted by the cooperative nature of information sharing of such customers (as opposed to militaries).

**The C-UxS sector is consolidating**, with AeroVironment's US\$4.1 billion [acquisition](#) of BlueHalo, a defence private-equity backed roll up, which includes a couple of DroneShield's earlier competitors, as well as earlier transactions of [Axon acquiring Dedrone](#), Bridgepoint acquiring MyDefence and High Point acquiring Radio Hill, all in 2024. **DroneShield remains the only publicly listed pure-play C-UxS company globally, as well as one of the last original C-UxS pioneers in this space.**

### **DroneShield's Positioning**

As a pioneer and global leader in the C-UxS sector, DroneShield has a number of technical and commercial differentiators compared to its competitors. These differentiators have been developed over years and are challenging to disrupt. On the commercial side, this includes deep trusted relationships and being written into multi-year requirement plans with key customers across the US Department of Defense ("DoD") and other organisations directly, and the defence prime contractors working with the DoD, to support current and coming priorities. Global primes are often customers and partners, as opposed to competitors for DroneShield, as they prefer to leverage DroneShield's ability to deliver at the required speed of innovation.

With numerous customers and supporting several different C-UxS use cases, DroneShield is poised for continued diversified growth. The Company is actively progressing opportunities, both directly and as a subcontractor, across all of its major accounts.

With a large and agile team of hardware and software engineers (estimated as the largest dedicated C-UxS engineering team globally), and a decade of solving C-UxS technology problems as they continue to rise in complexity, DroneShield is rapidly innovating and building on its unique differentiators.

### **Payments to related parties of the entity and their associates**

Board fees paid to Non-Executive Directors and salary to CEO amounted to \$640,382.

This announcement has been approved for release to ASX by the Board.

**For enquiries, please contact:**



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**DRONESHIELD**

### About DroneShield Limited

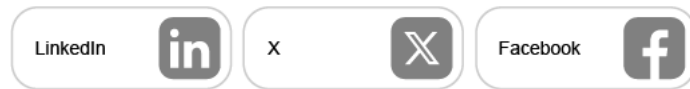
DroneShield (ASX:DRO) provides Artificial Intelligence based platforms for protection against advanced threats such as drones and autonomous systems. We offer customers bespoke counterdrone (or counter-UxS) and electronic warfare solutions and off-the-shelf products designed to suit a variety of terrestrial, maritime or airborne platforms. Our customers include military, intelligence community, Government, law enforcement, critical infrastructure, and airports.

To learn more about DroneShield click here: [www.droneshield.com/about](http://www.droneshield.com/about)

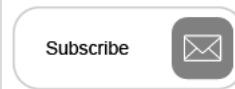
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### For more information

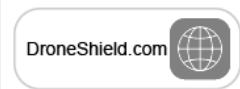
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## Appendix 4C

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

**Name of entity**

DRONESHIELD LIMITED

**ABN**

26 608 915 859

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

31 December 2024

| Consolidated statement of cash flows |  | Current quarter<br>\$A | Year to date<br>(12 months)<br>\$A |
|--------------------------------------|--|------------------------|------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>  |                        |                                    |
| 1.1                                  | Receipts from customers  | 26,192,227             | 56,604,152                         |
| 1.2                                  | Payments for   |                        |                                    |
|                                      | a) research and development  | (1,229,735)            | (3,600,948)                        |
|                                      | b) product manufacturing and operating costs   |                        |                                    |
|                                      | <i>These costs correspond to more than the current period of sales, due to advanced inventory purchases</i>  | (22,230,749)           | (73,054,037)                       |
|                                      | c) advertising and marketing   | (2,561,587)            | (6,524,660)                        |
|                                      | d) leased assets   | -                      | -                                  |
|                                      | e) staff costs   | (6,066,487)            | (23,836,138)                       |
|                                      | f) administration and corporate costs  | (3,525,151)            | (10,188,606)                       |
| 1.3                                  | Dividends received (see note 3)  | -                      | -                                  |
| 1.4                                  | Interest received  | 2,432,136              | 4,589,135                          |
| 1.5                                  | Interest and other costs of finance paid   |                        |                                    |
|                                      | <i>Interest paid relating to the lease liability for DroneShield's Office lease in Virginia and Sydney. Payments for the Sydney office commenced in July 2024.</i> | (85,400)               | (190,575)                          |
| 1.6                                  | Income taxes paid  | (2,003,523)            | (2,003,523)                        |
| 1.7                                  | Government grants and tax incentives   | 146,600                | 271,404                            |
| 1.8                                  | Other  | 15,468                 | 15,468                             |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b>  | <b>(8,916,201)</b>     | <b>(57,918,328)</b>                |

| Consolidated statement of cash flows |  | Current quarter<br>\$A | Year to date<br>(12 months)<br>\$A |
|--------------------------------------|--|------------------------|------------------------------------|
| <b>2.</b>                            | <b>Cash flows from investing activities</b>  |                        |                                    |
| 2.1                                  | Payments to acquire or for:  |                        |                                    |
|                                      | a) entities  | -                      | -                                  |
|                                      | b) businesses  | -                      | -                                  |
|                                      | c) property, plant and equipment<br><i>\$884k relates to leasehold improvements at DroneShield's Sydney premises. \$967k relates to production tools. IT and office equipment contribute to the remainder of the balance</i> | (2,953,512)            | (7,482,768)                        |
|                                      | d) investments   | -                      | -                                  |
|                                      | e) intellectual property   | -                      | -                                  |
|                                      | f) other non-current assets<br><i>Intangible asset from capitalisation of development costs</i>  | (6,652,976)            | (6,652,976)                        |
| 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)  | -                      | -                                  |
|                                      | Other  |                        |                                    |
| 2.5                                  | <i>Leasing incentives received in relation to DroneShield's Sydney premises.</i>   | -                      | 1,123,344                          |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b>  | <b>(9,606,488)</b>     | <b>(13,012,400)</b>                |

|           |   |        |              |
|-----------|---|--------|--------------|
| <b>3.</b> | <b>Cash flows from financing activities</b>   |        |              |
| 3.1       | Proceeds from issues of equity securities (excluding convertible debt securities)       | 25,000 | 243,439,473  |
| 3.2       | Proceeds from issue of convertible debt securities                                      | -      | -            |
| 3.3       | Proceeds from exercise of options   | -      | 1,432,528    |
| 3.4       | Transaction costs related to issues of equity securities or convertible debt securities | -      | (11,993,820) |
| 3.5       | Proceeds from borrowings  | -      | -            |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A</b> | <b>Year to date<br/>(12 months)<br/>\$A</b> |
|---|--|--------------------------------|---|
| 3.6   | Repayment of borrowings  | -                              | -   |
| 3.7   | Transaction costs related to loans and borrowings  | -                              | -   |
| 3.8   | Dividends paid   | -                              | -   |
| 3.9   | Other<br><i>Lease liability principal repayments relating to DroneShield's Office lease in Virginia and Sydney. Payments for the Sydney office commenced in July 2024.</i> | (300,868)                      | (666,750)                                   |
| <b>3.10</b>                                 | <b>Net cash from / (used in) financing activities</b>  | <b>(275,868)</b>               | <b>232,211,431</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   | 238,334,456                    | 57,889,056                                  |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)  | (8,916,201)                    | (57,918,328)                                |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)  | (9,606,488)                    | (13,012,400)                                |
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above)   | (275,868)                      | 232,211,431                                 |
| 4.5   | Effect of movement in exchange rates on cash held  | 1,031,279                      | 1,397,419                                   |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>  | <b>220,567,178</b>             | <b>220,567,178</b>                          |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>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<br/>\$A</b> | <b>Previous quarter<br/>\$A</b> |
|------------|---|--------------------------------|---------------------------------|
| 5.1        | Bank balances   | 46,751,103                     | 56,158,487                      |
| 5.2        | Call deposits   | 868,776                        | 861,377                         |
| 5.3        | Bank overdrafts   | -                              | -                               |
| 5.4        | Other (Term Deposits)   | 172,947,299                    | 181,314,592                     |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>220,567,178</b>             | <b>238,334,456</b>              |

|           |   |                                |
|-----------|---|--------------------------------|
| <b>6.</b> | <b>Payments to related parties of the entity and their associates</b>   | <b>Current quarter<br/>\$A</b> |
| 6.1       | Aggregate amount of payments to related parties and their associates included in item 1<br><i>Payments to CEO and Non-Executive Directors</i> | 640,382                        |
| 6.2       | Aggregate amount of payments to related parties and their associates included in item 2   | -                              |

|           |  |   |  |
|-----------|--|---|--|
| <b>7.</b> | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A</b> | <b>Amount drawn at<br/>quarter end<br/>\$A</b> |
| 7.1       | Loan facilities  | -   | -  |
| 7.2       | Credit standby arrangements  | -   | -  |
| 7.3       | Other (please specify)   | -   | -  |
| 7.4       | <b>Total financing facilities</b>  | -   | -  |
| 7.5       | <b>Unused financing facilities available at quarter end</b>  |   | -  |

|  |  |              |
|--|--|--------------|
| <b>8.</b>  | <b>Estimated cash available for future operating activities</b>  | <b>\$A</b>   |
| 8.1  | Net cash from / (used in) operating activities (item 1.9)  | (8,916,201)  |
| 8.2  | Cash and cash equivalents at quarter end (item 4.6)  | 220,567,178  |
| 8.3  | Unused finance facilities available at quarter end (item 7.5)  | -            |
| 8.4  | Total available funding (item 8.2 + item 8.3)  | 220,567,178  |
| 8.5  | <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | <b>24.74</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: 29 January 2025

Authorised by: Board of Directors

### 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.