



D A M S T R A

22 July 2020

QUARTERLY ACTIVITIES REPORT

Strong results across aspects of the business creating a platform for FY21 growth

Damstra Holdings Limited (**Damstra** or the **Company**, ASX:DTC), an Australian-based provider of integrated workplace management solutions, provides an update on the Company's operations, business, funding and liquidity for the fourth quarter of FY20 ended 30 June 2020 (**Quarter**).

Key Highlights

- Strong performance across the business delivered revenue and other income on an unaudited basis for FY20 of \$22.0m, representing a growth rate of 38% on FY19.
- Unaudited EBITDA for FY20 is expected to be \$5.6m, ahead of guidance and prospectus forecast. This demonstrates the delivery of attractive unit economics and strong operating leverage¹.
- Key metrics for the business at the end of FY20 are:
 - User's increased from 320,000 at the end of FY19 to 404,000;
 - Clients increased from 129 at the end of FY19 to 279; and
 - Recurring revenue for FY20 was 91% of operating revenue.
- Normalised cash receipts of \$5.6m for the Quarter, representing growth of 57% on the prior corresponding period (**PCP**)².
- Normalised positive operating cash flow of \$1.9m² for the Quarter, a growth of 760% compared to PCP.
- Operating cash to EBITDA conversion for FY20 of 93%.
- Normalised cash balance of \$10.4m², which includes costs due to recent acquisitions.
- Product innovation continues with 14 additional products/modules brought to market during FY20.
- Major staff appointments in North America and scale up in North American business, including signing of first channel partners.
- Continued new client wins in Australia and internationally. Future growth in core vertical market segments - construction and infrastructure - underpinned in Australia by major federal and state projects.
- Three businesses acquired during FY20 with integration ahead of plan in all cases and an expanded product offering positioned to accelerate cross-sell opportunities during FY21.
- On 8 Jul 2020 Damstra announced that it had entered into an implementation agreement to acquire Vault Intelligence Limited ("**Vault**", ASX: VLT) by way of a recommended Scheme looking to complete during October 2020.

Damstra CEO, Christian Damstra, said "Damstra has demonstrated great resilience in these trying times, and we are incredibly pleased with our results, especially the innovation in new products that we have launched to our clients. We see a structural tailwind and, given our resilient business model, we believe we are strategically well-placed to navigate the disruptions caused by COVID-19. In Australia, strong future growth should be

¹ Excludes share based payments, listing costs and costs of acquisitions.

² Includes \$1m in overdue payments received after year end.

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underpinned by future infrastructure investments from federal and state governments as part of post COVID-19 economic policies.”

“Our acquisitions in FY20, including the proposed purchase of Vault, which is scheduled to complete in October, demonstrate a targeted and considered approach to M&A. We adopt a disciplined and focused screening and integration methodology. These acquisitions add product breadth to the Damstra platform, with products that can be sold to new and existing clients globally. Product innovation is critical to our future and will continue organically and, where appropriate, via acquisition.”

“Lastly, in North America we have significantly scaled up resources to grow with our clients there and have plans to pursue a wide array of opportunities in such a significant market.”

Business Commentary

Damstra continued to demonstrate its importance as a critical business tool during these challenging times, and customers have continued to rely on our solutions. We have seen no reduction in demand for our services across the key verticals of mining, construction, and telecommunications. Looking forward we anticipate an increase in demand for our services and expanded product offering. In FY21, this is expected to be underpinned in Australia by federal and state funding for major infrastructure projects, whilst managing COVID-19 risk will support North American expansion.

Core Australian Infrastructure clients

In our core vertical market segment of infrastructure and construction, where our key clients include CPB (subsidiary of the CIMIC Group), John Holland and Laing O’Rourke, we have seen significant growth of new projects which we will continue to implement over the course of FY21. It is important to note that we have no residential construction and minimal office building construction exposure.

- At the start FY20 we were supporting 34 projects, and this grew to 67 by the end of the period. We provide this metric as it includes those projects which completed during the 12 months. Projects tend to last for between three to ten years.
- User numbers at the end of FY20 were ~62,000 compared to ~49,000 at the start of the year.

Below are examples of high profile large-scale, long-term infrastructure projects:

- Freeways/Highway/Road projects - Brisbane Cross River Rail Project, Parramatta Connect, Monash Freeway, South Gippsland Highway, North East Link;
- Airports projects - Western Sydney Airport, Sydney Airport;
- Rail/Tunnel projects - Parramatta Light Rail, Pitt Street Station, NEWest Alliance to build two rails projects in Western Australia, Dubbo Rail Maintenance Facility; and
- Government projects - South Australia Osbourne Submarine Project, Sydney Football stadium, ASMTI Australian Singapore Military Training Initiative 3-4yr Defence project, New Zealand Waikeria Prison.

NBN

NBN has moved into the maintenance phase while completing its network build. Damstra continues to provide services to NBN in the longer term. While revenue from this client will no longer grow at the same rate it did during the construction phase, we expect that it is now essentially stable.

- User numbers at end of FY20 were ~45k. We anticipate NBN user numbers to remain around this level for FY21.
- The contract with NBN has several options which continue until FY22 and we will seek to continue our relationship beyond that.

New Australian client wins in our core product

Damstra continued to win new clients in the period. While none of these clients are individually material, some present significant long term opportunities to build deeper relationships:

- Sunwater Utilities – a Queensland Government venture;
- NEWest Alliance – a CPB and Downer joint venture;
- Broad Construction – a member of the CIMIC group;
- FKG/Downer Joint Venture; and
- Tasmanian Water Capital Delivery Office, which has a mandate for ~\$7.5m of capital work projects.

International

Expansion in offshore markets is a key strategic objective. Below is an overview of activity and new international clients that have been secured in the period.

- China Light and Power (**CLP**), which comprises transmission and distribution, electricity and gas retail activities, and a diversified portfolio of generation assets across five Asia-Pacific markets, using coal, gas, nuclear, wind, hydro and solar. We have secured a 3-year contract at its Hong Kong facility worth ~US\$500,000 over three years.
- In North America we have signed a contract with a leading private school in Colorado, a breakthrough in securing an education client to establish a new industry vertical. The offering is using the core Damstra product fully integrated with fever detection and facial recognition.
- Newmont operations are performing well, with sites now installed in Australia, North America and Suriname. Implementation of our workforce solution at additional locations, including Africa and Peru, is occurring albeit subject to some delays because of COVID-19. We expect by the end of FY21 for the full rollout to be completed.
- Philippine Associated Smelting and Refining Corporation contract has now been implemented, being our first client in the Philippines.
- Our United Kingdom business has seen a further delay in the awarding of a major tender for which we are shortlisted against one other competitor. The tender is not expected to be awarded until Q2 of FY21. If successful, this client would be among our top 10 by revenue.

Channel Partnership Strategy

Damstra's channel partnership strategy continues to evolve, with the T1 partnership already showing commercial results. In line with our North America growth focus we have recently signed channel partner relationships with Zivaro, Inc Brilliant IT (**Zivaro**) and Government Acquisition, Inc (**GAI**).

- Damstra's channel partnership with TechnologyOne has had success since launch with nine clients now signed, and a pipeline of opportunities.
 - TechnologyOne will target all present clients and new clients in their network, including the UK.
 - Offering is Velpic learning on the T1 ERP system, offering its clients a seamless integration.
 - They have dedicated resources and are supported by the sales team.
 - Each contractual arrangement is for between three to five years.
 - Each client is expected to generate a recurring revenue of ~\$10k per annum.
 - Damstra is targeting to have 75 clients signed by TechnologyOne by the end of FY21.
- Damstra Technology and Zivaro, headquartered in Denver, Colorado, formed a strategic alliance to enhance safety systems, products, platforms, and cloud capabilities. Damstra's workforce safety platform comes together with Zivaro's cloud expertise to help customers accelerate digital transformation.

The partnership helps North American government clients and enterprise customers in highly regulated industries safely accelerate digital transformation and enhance insights and innovation. The alliance also positions Zivaro as a Damstra Technology strategic North American partner.

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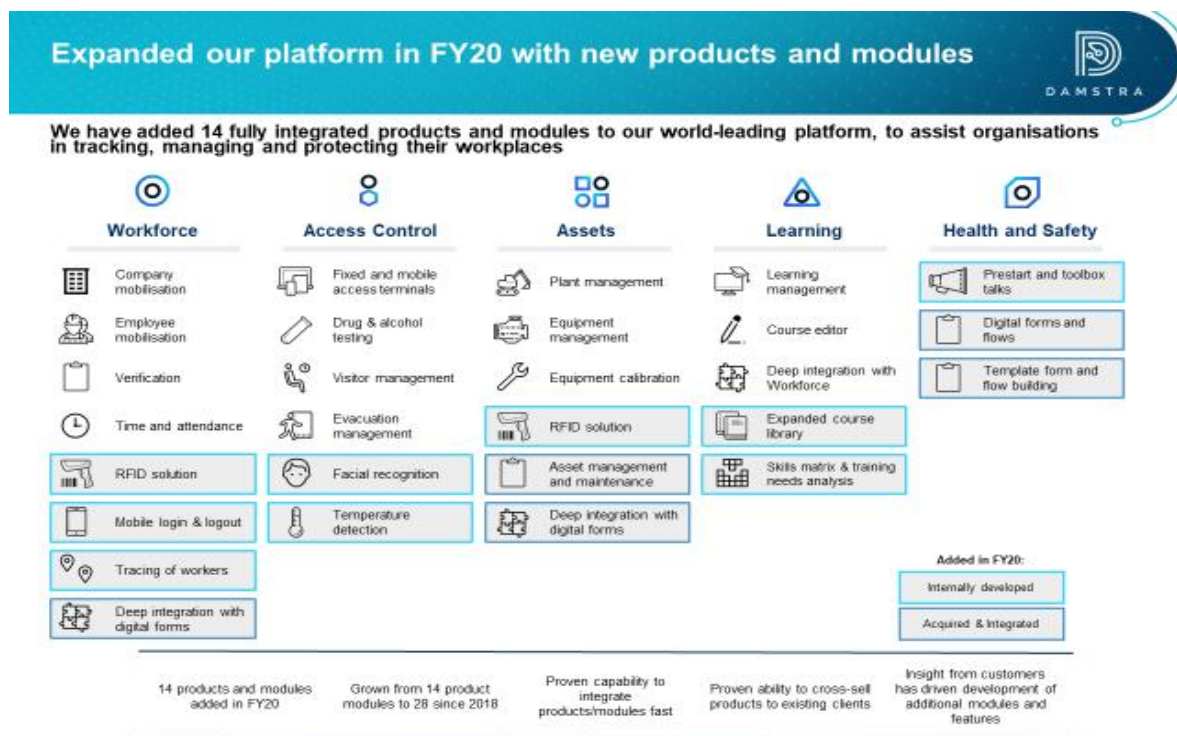
- GAI, headquartered in Cincinnati, is an experienced, award-winning, value-added reseller. GAI focuses solely on Federal or the SLED (State, Local Government and, Education) sectors. GAI has one of the most diversified contract portfolios in our industry and holds some of the best and largest government-wide acquisition contracts. This relationship expands Damstra's sales reach in a vertical which we normally have difficulty in accessing.

Product Development

During the Quarter, new product releases across our platform included integration of all modules so clients can see "one" view of Damstra. We see continual product innovation as key differentiator for Damstra.

The below slide shows Damstra's evolving product platform in our core five pillars: workforce, access control, assets, learning and health and safety. Our strategy has been to increase research and development (R&D) resources to accelerate our product pipeline and supplement this with product led acquisitions. We will continue to increase the breadth of modules in each of the core five pillars based on client demand and where industry trends show us commercial opportunity that can be commercialised if brought to market.

Below we detail the five key product innovations that have been recently brought to market: fever detection/facial recognition, RFID tracking, Skills management, mobile access, and digital form flow and integration.



Fever Detection / Facial recognition

Our key new product offering which is now launched and active on clients' sites is a unique facial recognition and fever detection solution, integrated into Damstra's workforce management and access control platform. Worksite users and managers are alerted in real-time once an elevated temperature is detected. This solution for large worksites and workforces includes:

- automatic identification through facial recognition and human temperature measurement;
- temperature screening, highly accurate temperature reading +/-0.3 Celsius;
- safe and contactless measurement between 1.5 and 3m distance;
- integrated access control so workers registering high temperature are not able to enter worksite; and
- real-time alerts to make informed decisions with daily, weekly, monthly reporting options.

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RFID Tracking

As part of our workplace management product suite, we launched a new module which allows companies to manage and track vehicles, plant and drivers accessing site access via RFID technology. Damstra's innovative RFID tracking solution was deployed at QUBE Intermodal Moorebank to automate access control for both plants and drivers to:

- control site access with minimal manual handling to streamline the traffic flow; and
- ensure full visibility on who's onsite at any given moment in time.

Skills management and training needs analysis

We have developed and launched a new module which forms part of our workforce management platform that assists worksite users in the management of training needs of employees, crews and worksites. The skills matrix:

- provides insights into the training needs of any workforce based on a skills requirement;
- is easy to use and able to deal with hundreds or more training needs; and
- allows managers and trainers to identify training needs and skills gaps.

Mobile access control for home-based and remote workers

For our access control product, a new module has been launched allowing employees that are home-based or work remotely off-site to login and logout each day on their mobiles.

- This assists workforce managers to manage and track remote and home-based workers and time and hours.
- This feature was identified by clients as critical in managing workforces in the COVID-19 environment.

Digital form and flow integration

The integration of our digital form product into the workplace management platform was deployed, which:

- replaces paper forms thereby achieving operational savings, and removal of human interaction;
- increases worker safety/compliance through integration of forms into workforce management; and
- also significantly reduces the cost of managing these compliance processes.

Commercialisation of Product Modules

Velpic

Velpic continues to accelerate growth with new clients and cross sell across the broader client base.

- At the end of FY20 Velpic had ~17,000 users vs ~12,000 at the end of FY19.
- Damstra anticipates this growth rate to continue during FY21.
- New Velpic clients have average recurring annual revenues of ~ \$16k.

Among their new clients are: Citywide Environmental Solutions in Melbourne, City of Newcastle, Narrabri City Council, Mid-West Ports Authority, Vos Construction, and Murrumbidgee Irrigation.

Fever / Facial Detection Module

- Since the launch of the new module in late FY20, six clients have adopted the integrated fever detection/ facial recognition solution across a variety of different industries.
- We see numerous opportunities where this offering could become a company/network-wide solution for clients.

Samm "Paper" Module

Since acquisition, Samm (formerly APE Mobile) has continued to win new clients on a standalone basis. Some examples are the Department of Main Road Queensland, Downer Pipetec, and Duratek. These demonstrate the continual underlying growth in the business.

- We expect that the impact of COVID-19 will see acceleration of digitisation of the workforce and removal of human contact as a structural long-term trend.
- Samm is now actively used by Damstra clients, primarily in mining and construction. These are currently used on single sites, but we believe during the course of these engagements, some of these will convert into company-wide solutions.
- As an illustration of the scale of opportunity: one client at two locations is digitising all forms using Samm, which will remove some ~100,000 paper documents and form movements per month. The revenue to Damstra from this client is \$30k-\$40k per annum per site on an annual and recurring basis.

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Acquisitions

During FY20, Damstra has made three acquisitions: APE Mobile, Scenario Advantage and Smart Asset Software. As M&A is a core strategy for Damstra we have created a specific approach, including a dedicated team, process on target selection, due diligence, negotiation, and then implementation.

Below we further expand and explain our approach, and what defines this, are core outcomes we want to achieve:

- 1) No clients lost during transition.
- 2) Retention of key staff and integrate them organisationally.
- 3) Clear road map of systems and code base integration.
- 4) New clients see a "single view of Damstra" in a product sense and the expanded offering we bring; and
- 5) Legacy/duplicate systems and suppliers removed so the acquisition is marginally costed.

We group these desired outcomes into 3 categories and break down each into an activity. We have a dedicated team that drives these outcomes with timelines. Below is a table of the key activities for the 3 acquisitions we have done during FY20 and status on each activity:

Acquisitions are being integrated successfully



	Scenario Completed December 2019	APE Mobile/Samm Completed February 2020	Smart Asset Completed June 2020
Business			
Clients lost	0	0	0
Staff retained	Y	Y	Y
Accounting systems integrated	Y	Y	Y
Staff organisationally integrated	Y	Y	Y
R&D staff put into "pizza" teams	Y	Y	Y
Branding	Phase out FY21	Rebranded	Retained
System/supplier rationalisation completed	16	27	7
Systems			
One Infrastructure platform	Y	Y	Y
Removal of redundant systems	Y	Y	In progress
API integrations completed	Y	Y	In progress
System integrated with Damstra	Y	Y	Y
Single Sign On implemented	Y	Y	In progress
Removal of legacy code base	Phase out FY21	na	na
Product			
Can be sold as a standalone product	N	Y	Y
Integrated with Samm	Y	na	Y
Integrated with Velpic	Y	Y	Y
Integrated with Smart Asset	In progress	Y	na

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Acquisitions: our approach on accelerating overall Damstra growth once acquired - Velpic Case Study

Velpic was acquired in 2018 predominately for its superior learning management system (LMS) product. At the time of acquisition, the Velpic business profile was as follows:

- Product launched with some commercial success;
- Revenue was ~\$750k per annum;
- R&D spent developing the product was \$10 m, with a product launch in 2014;
- Organisational size pre-acquisition was ~25 full time employees; and
- EBITDA and operating cash flow negative.

After acquisition

- All IP acquired and integrated into Damstra, with single sign on implemented;
- Now a core module offering that can be sold on standalone basis or as an integrated solution;
- Staff reduced from 24 to 4, using our infrastructure and support service functions;
- Damstra LMS system was retired and associated R&D redeployed;
- Velpic brand retained;
- Business was operating cash breakeven within 3 months; and
- Revenue has increased ~200% since the acquisition (at the end of FY20):
 - ~20% clients wins; and
 - ~80% new revenue from cross sell to existing Damstra clients.

This simple case study demonstrates the approach Damstra takes to M&A opportunities. Where the acquisition is product driven our approach is to undertake operational integration for the business, and then to cross-sell the product to our existing client base. After this, the product becomes core to the platform and is set for continued growth.

New Leadership appointments in North America

Damstra has appointed key executives in North America to accelerate growth and will continue to build that team during FY21.

SVP Strategic Partnerships and Alliances – Jon Mattei

Prior to joining Damstra, Mattei lead FMNOW, Kineticsware and Conexus Partners. Corporate roles include serving as Corporate Vice President with J.D. Edwards. Responsibilities have been diverse including strategy, alliance/channels partners, professional services, services sales, and corporate development.

Over 25 years of software expertise focused in both Fortune 100 and SMB segments from enterprise solutions through mobile workforce applications. Extensive experience developing, growing and managing global software organisations. Held multiple executive positions while growing companies. A superior understanding of the value of integrating international best practices. Earned a business degree with emphasis in finance. Completed post graduate coursework in process re-engineering, data modelling, systemic thinking and business systems design. Periodically a keynote speaker in the software, financial services and support services sectors. He also sits on an advisory Board for Basari Technologies headquartered in Ankara, Turkey, and is a board member of two non-profit organizations in Denver, CO.

Senior Vice President Sales North America – Brice Elliott

Brice Elliott joins Damstra Technologies as Senior Vice President of Sales. With 30+ years of experience, Brice has a successful track record of helping companies achieve their business objectives through innovative technologies across most industries and operational domains. His focus has always been on customer success and to ensure that organisations receive maximum business value for their technology investments. Brice joins Damstra Technologies from One Network where he managed worldwide sales and business development. Prior to that he was the Chief Revenue Officer for Pramata Corporation and has also held executive sales roles for companies like PeopleSoft, Xerox, ITT Telecom, i2 Technologies and Infor Global Solutions. He received his degree in Marketing from Millikin University and currently resides in Tucson, Arizona.

*Unless otherwise specified, all amounts are provided in AUD and on an unaudited basis and pro forma basis.

Ends

Authorised for release to ASX by the Board of Damstra Holdings.

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About Damstra

Damstra is an Australian-based provider of integrated workplace management solutions to multiple industry segments across the globe. The Company develops, sells and implements integrated hardware and software-as-a-service (SaaS) solutions in industries where compliance and safety are of utmost importance. These solutions assist Damstra's clients to better track, manage and protect their staff, contractors and their organisations, and to reduce the risks associated with worker health, safety and regulatory compliance.

The Company has been operating since 2002 and has grown from providing an Australian mining contractor management solution to an integrated workplace management solution provider with a growing client base in international markets.

For more information, please visit

<https://workplace.damstratechnology.com/>

<https://www.linkedin.com/company/damstra-technology/>

Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed, and which are subject to various risks and uncertainties.

Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Damstra. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this announcement have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

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Annexure

The Quarter is a period which is covered by the Uses of Funds statement as outlined in the Replacement Prospectus dated 30 September 2019. A summary of the expenditure to date is outlined below:

Uses of Funds	Per Replacement Prospectus dated 30 September 2019	Actual Expenditure since Admission to 30 June 2020
	AUD \$m	AUD \$m
Transaction Costs	5.4	6.7 ³
Debt repayment – certain Westpac facilities	6.6	6.5 ⁴
Velpic contingent consideration	2.1	2.2 ⁵
EIFY deferred consideration	1.5	1.6 ⁶
EIFY contingent consideration	1.5	0.0 ⁷
General corporate purposes, including flexibility to support Damstra's growth strategy	18.3	18.3 ⁸
Payments to selling shareholders	14.3	14.3
Total	49.7	49.6

Payments to related parties and their associates during the Quarter was \$343,000. These payments related to Director fees and expenses.

³ An excess of cash was spent on listing costs, which was funded out of generated operating cash. These mainly relate to legal and accounting fees that exceeded the estimates in the prospectus.

⁴ All cash borrowings have been repaid. Remaining differences are regarded as immaterial and relate to rounding and interest accruals.

⁵ Paid as envisaged. Remaining differences are regarded as immaterial and relate to rounding and interest accruals.

⁶ Paid as envisaged. Remaining differences are regarded as immaterial and relate to rounding and interest accruals.

⁷ Is not expected to be paid and provisions have been reversed.

⁸ Used to fund two current year acquisitions (\$7m) and general operating expenses and cash balances

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Appendix 4C

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

Name of entity

Damstra Holdings Limited [DTC.ASX]

ABN

74 610 571 607

Quarter ended ("current quarter")

30 June 2020

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	4,592	20,835
1.2 Payments for		
(a) research and development	(17)	(53)
(b) product manufacturing and operating costs	(1,334)	(5,403)
(c) advertising and marketing	(72)	(343)
(d) leased assets		
(e) staff costs	(1,868)	(7,343)
(f) administration and corporate costs	(542)	(2,919)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	115	420
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	874	5,194

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses	(503)	(7,495)
(c) property, plant and equipment	(703)	(4,997)
(d) investments		
(e) intellectual property	(829)	(2,480)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	(f) other non-current assets Proceeds from disposal of: (g) entities (h) businesses (i) property, plant and equipment (j) investments (k) intellectual property (l) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (contingent consideration relating to prior year acquisition)	-	(2,196)
2.6	Net cash from / (used in) investing activities	(2,035)	(17,168)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	35,000
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	-	(3,921)
3.5	Proceeds from borrowings	868	3,398
3.6	Repayment of borrowings	-	(8,926)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
	• IPO related costs	-	(2,815)
	• Leased assets	(659)	(1,358)
	• Interest received	7	45
	• Interest and other costs of finance paid	(66)	(388)
3.10	Net cash from / (used in) financing activities	150	21,035

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,376	304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	874	5,194
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,035)	(17,168)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	21,035
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	9,365	9,365

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	9,365	10,376
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,365	10,376

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

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

**Current quarter
\$A'000**

343

6.1 above is comprised of director fees and expenses paid to 5 directors for the period 1 April -30 June 2020

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
	- Asset finance	10,000	4,832
	- Bank guarantees	500	500
7.4	Total financing facilities	10,500	5,332

7.5 **Unused financing facilities available at quarter end** 5,168

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.

- Facility 1: \$10m Revolving Leasing Facility with principal and interest repayments ("Leasing Facility"); and
- Facility 2: \$0.5m Bank Guarantee Facility with a 2.5% p.a. fee charged semi-annually

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	874
8.2	Cash and cash equivalents at quarter end (Item 4.6)	9,365
8.3	Unused finance facilities available at quarter end (Item 7.5)	5,168
8.4	Total available funding (Item 8.2 + Item 8.3)	14,533
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

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

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.

Date: 22 July 2020

Authorised by: The Board
(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 – e.g. 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.