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**27 October 2020**

# APPENDIX 4C CASHFLOW STATEMENT AND QUARTERLY ACTIVITIES REPORT

**Fiji Kava Ltd** (ASX: FIJ), an Australian-Fijian medicinal Kava health & wellness company which produces natural Noble Kava products for the complementary and alternative medicine market, submits the following Activities Report and Appendix 4C Cash Flow Statement for the three-month period ended 30 September 2020 (Q1FY21).

## KEY HIGHLIGHTS

**Fiji Kava has made strong progress in delivering its strategy over the quarter ended 30 September 2020, including:**

- Q1FY21 revenues of $164,249 a reduction versus the prior quarter, but an increase of 144% from the prior corresponding period (Q1FY20: $67k)
- Landmark partnership for Fiji Kava to enter the Chinese market, via an exclusive partnership with PuMate (Shanghai) Limited. The deal targets a minimum $8 million in sales over an initial three-year period and includes Fiji Kava's Noble Kava products sold in China and via cross-border e-commerce marketplaces.
- Signing of a non-exclusive licence agreement with BioCeuticals, a Blackmores-owned company, to develop co-branded products for release in Australia and New Zealand. The BioCeuticals agreements is part of Fiji Kava's newly formed 'Speciality Ingredients' channel, for the sale of bulk Noble Kava extracts and products.
- Continued demand from the Coles agreement, which included the launch of Fiji Kava's three new and uniquely formulated Noble Kava varieties, consisting of 'Sleep', 'Mind' and 'Body' capsule ranges.
- Positive sales and consumer demand from e-commerce channels, including revenues of $46,300 an increase of 60% versus the prior quarter, and 627% from the prior corresponding period Q1FY20.
- The appointment of Mr Jack Lowenstein to the Board of Fiji Kava as a Non-Executive Director.
- Oversubscription and successful completion of the company's share placement, raising $4.8 million (before costs) at $0.18 per share from institutional, professional and sophisticated investors in Australia and internationally.
- A partnership with the Pacific Horticultural and Agricultural Market Access Plus (PHAMA Plus) Program to boost Fiji Kava's sustainable Kava supply and to strengthen export opportunities for Fijian Kava.

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- The adoption of a regional Kava standard by the Codex Alimentarius Commission, which significantly strengthens regulations for the Pacific Kava market to bring high-quality and safe Kava to international markets. The standards define the use of Noble Kava as the minimum standard for Kava exports.
- Following the quarter, Mr Nicholas Simms was appointed as Chief Executive Officer on an interim basis. Fiji Kava Founder following Zane Yoshida request to the Board to transition to a Non-Executive Director position, to enable him more time to focus on his critical industry roles for the company.

**Fiji Kava CEO, Mr Nicholas Simms said:** "The company made considerable progress on its strategy foundations to grow availability of Fiji Kava during the quarter, with the signing of two new cornerstone distribution agreements that will see the company enter China and supply its Noble Kava extract to BioCeuticals."

"These marquee agreements complement our existing partnerships, with retail and distribution agreements now in place with Coles in Australia, Green Cross Health in New Zealand and Amazon in the United States. Together, these deals have been key to the company's sales growth of 144% from the prior corresponding period.

"However, during the quarter the company faced operational disruptions to its supply chain as a result of COVID-19. This included delays in customs clearances, testing bottlenecks and constraints of available freight which have adversely impacted the supply of our Kava exports from Fiji during the quarter. This has resulted in some revenue volatility.

"While we continue to work with our partners on these recent disruptions, these delays are not unlike those being experienced by many other businesses in the market at present, due to the operational challenges caused by the pandemic.

"We anticipate that these recent disruptions to our supply chain will begin to normalise as the economy recovers moving forward. This will be aided by the recent welcome news of continued success on COVID-19 management across Australia and Fiji."

"Importantly, these logistical disruptions do not diminish the long term opportunity to build awareness of the benefits of Noble Kava, and the health and wellness role it can play in the everyday lives of today's increasingly busy consumers in burgeoning markets including China and the United States"

"This was reflected in the positive support we received from our share placement during the quarter, which generated strong interest from many new and existing investors. These are funds that will provide the working capital required for Fiji Kava to realise its strategy in its key markets and to progress new product development. "

"Finally, during the quarter Fiji Kava welcomed Jack Lowenstein its Board. His appointment added additional capability and experience to the Board, which more recently saw founder Zane Yoshida transition to a Non-Executive Director position. In doing so, Zane will spend more time on his many industry roles to ensure Fiji Kava is central to assisting future policy and regulatory decisions in shaping the future of the global Kava industry."

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## FINANCIAL OVERVIEW

Revenues for the quarter were $164,249 a reduction over the prior quarter (Q3FY20) but a 144% increase from the prior corresponding period ($67k in Q4FY19), driven operational disruptions to its supply chain as a result of COVID-19. This included delays in customs clearances, testing bottlenecks and constraints of available freight which have adversely impacted the supply of our Kava exports from Fiji during the quarter.

Expenditure used in operating activities in the quarter ending 30 September 2020 was $1,099k an increase from the prior quarter. The increase is due to the reinstatement of the temporarily salary reduction of the board and employees and other short term savings, that were implemented as precautionary measures in response to the global Coronavirus pandemic.

Receipts from customers was $51k, while cash flow used in operating activities comprised $226k in product manufacturing and operating costs, $125k in advertising and marketing costs, $372k in staff costs and $332k in administrative and corporate costs.

During August 2020, the Company issued Shares on the Conversion of Convertible Notes. On 5 August 2020, the Company Issued 3,437,707 Shares, on 17 August 2020, the Company issued 2,929,128 Shares and on 20 August 2020, the Company issued 746,375 Shares.

On 3 September 2020, the Company completed a placement of 25,491,766 Shares at 18c per share to raise $4.58 million. As at September 30th, 2020, the company had $4.65 million in cash and no debt.

## RESPONSE TO COVID-19

Fiji Kava maintains a primary focus on the safety and wellbeing of its people and clients during COVID-19.

It has also implemented a range of measures to minimise supply chain disruption, including various remote working initiatives, engaging suppliers with digital alternatives, strategic placement of our mobile processing units and careful management of a logistics channels to ensure we can freight raw materials out of Fiji.

During the quarter, the company began to experience some operational disruptions to its supply chain as a result of COVID-19. This included delays in customs clearances, testing bottlenecks and constraints of available freight which have adversely impacted the supply of our Kava exports from Fiji during the quarter. In many circumstances, this has more than doubled traditional timeframes expected for customs approvals, product testing and transportation.

We are anticipating the disruption to our supply chain will begin to normalise as the economy recovers moving forward. This will be aided by the recent welcome news of continued success on COVID-19 management across Australia and Fij.

We continue to work with our suppliers to navigate these logistical challenges

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## REGULATORY BACKDROP

In a major industry milestone, the international Kava industry adopted a regional Kava standard developed by the Codex Alimentarius Commission, which was established with the support of the Food and Agriculture Organisation (FAO) and the United Nations and World Health Organisation (WHO).

The new Kava standard adopted by Codex significantly strengthens regulations for the Pacific Noble Kava market to bring high-quality and safe Noble Kava to international markets. The standard provides mandated procedures and controls for the growth, harvesting and processing of Kava with the key benchmarks for international exports of Kava including at a minimum being the exclusive use of Noble Kava and created to Food Safety Standards.

The standard provides a framework for drinking Kava when mixed with water and the upcoming Australian Government commercial importation trial of Kava, with Fiji Kava fully compliant with all Codex standards. This ensures Fiji Kava is well positioned to participate in the trial and to work with the government in the trial's development ahead of its launch.

Fiji Kava Founder Zane Yoshida played an important role in the development of the standard as a Member of The National Codex Committee. He will now be actively involved in embedding the standard across the Pacific.

“The standard becomes the internationally-recognised authority for Kava, with Codex defining that raw materials for Kava products be exclusively of the Noble Kava variety and developed to Food Safety Standards,” Mr Yoshida said.

“This is a clear endorsement of Fiji Kava’s strategy. Fiji Kava only sells Noble Kava as the highest quality and safest variety of Kava, which we grow and export via our vertically integrated supply chain. While many growers will be forced to make changes to their business in response to the standard, Fiji Kava will continue to operate without disruption and with complete confidence in our strategy to sell our Fijian Noble Kava across international markets.”

## STRATEGIC PROGRESS

Fiji Kava continues to make significant progress in the implementation of its strategy that underpins the Company’s future growth, including:

### 1. Growing Availability of Fijian Noble Kava

**Fiji Kava is the first and only foreign company with approval from the Fijian Government to operate in the Kava industry.**

Fiji Kava made continued progress on its commercial strategy during the quarter including:

- An agreement with BioCeuticals, who is owned by leading Australian healthcare and ASX200 company, Blackmores Limited. This agreement is the company's first major collaboration to supply Fiji Kava's high-quality Noble Kava extract under license agreement. It will see

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BioCeuticals licence the use of Fiji Kava's Noble Kava extracts for its BioCeuticals Clinical AnxioCalm product, which will be co-branded.

- A landmark partnership with PuMate (Shanghai) Limited for Fiji Kava to enter the Chinese market. The partnership targets minimum sales of $8 million over the initial three-year term of the agreement. It includes diversified distribution channels with both branded Fiji Kava products and raw materials sold to China's complementary medicine, personal care and pharmaceutical industry, as well as through cross-border e-commerce marketplaces.

- The development of Fiji Kava's 'Specialty Ingredients' channel, which includes the sale of Fiji Kava's high-quality noble Kava extracts and products. This includes Pathway International, BioCeuticals, among other partnerships.

- Positive sales momentum and ongoing demand for Fiji Kava in Coles. Fiji Kava's Noble Kava Extract capsules are in 819 Coles Supermarkets and Coles Online. Fiji Kava's three new noble Kava varieties, consisting of 'Sleep', 'Mind' and 'Body' capsules, are in 589 Coles Supermarkets and Coles Online.

- Strong sales and consumer demand from e-commerce channels, including revenues of $46,300 an increase of 60% versus the prior quarter, and 627% from the prior corresponding period Q1FY20.

## 2. Noble Kava Supply Chain Excellence

### Establish a globally leading sustainable, unadulterated and 100% traceable supply chain of 'Noble' Kava

The company implemented new measures to solidify its supply chain during the quarter, while also taking available steps to minimise disruption caused by COVID-19. A summary of activity during the quarter includes:

- A partnership with the Pacific Horticultural and Agricultural Market Access Plus (PHAMA Plus) Program to strengthen export opportunities for Fijian Kava and to ensure high-quality, sustainable commercial production of Fijian Kava. The partnership includes the development of commercial Kava nurseries and a focus on sustainable agricultural practices to standardise Kava growing, harvesting and processing.

- The adoption of a regional Kava standard by the Codex Alimentarius Commission, which was established with the support of the Food and Agriculture Organisation (FAO) and the United Nations and World Health Organisation (WHO). Fiji Kava is fully compliant with all Codex standards, including that raw materials for Kava products be exclusively of the Noble Kava variety and developed to Food Safety Standards. The standard will build confidence in Kava at a time where Kava continues its resurgence as new global legislation and regulations are applied.

- Fiji Kava Founder Zane Yoshida continues to be an advocate and leader in the Kava industry. He is an Executive Member of the National Codex Committee, Australian Fiji Business Council

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and Fiji Kava Taskforce, and Chair of the Fijian-based subsidiary company of Fiji Kava, South Pacific Elixirs Ltd (SPE).

- Following an independent review by the Ministry of Agriculture following Cyclone Harold in to the productivity of Kava on the company's estate in Levuka, on the island of Ovalau, Fiji. Additional dedicated agronomic resources have been identified to assist

As outlined earlier, the company experienced disruption to its supply chain during the quarter as a result of logistical challenges in the current COVID-19 environment. This includes challenges with custom clearance delays, testing bottlenecks and available freight constraints. The company is working with suppliers to minimise the disruption caused to its supply chain.

## 3. Innovation & Product Development

### Innovation and product development to bring health & wellbeing to consumers through the natural benefits of Fijian Noble Kava

Fiji Kava's products are produced by high-quality Good Manufacturing Practices (GMP), which are TGA and FDA compliant. They are recognised as a complementary medicine in Australia, are compliant to the New Zealand Dietary Supplements Regulations (1995) and are sold as a dietary supplement in many international markets.

During the quarter, the company continued the development of its new product pipeline to provide a natural alternative to prescription medicines. This follows the recent launch of its three uniquely formulated capsule ranges including 'Sleep', 'Mind' and Body'. These capsule ranges include:

- Fiji Kava 'Noble Calm' vegan hard capsules combining Fiji Kava's Noble Kava and Rhodiola rosea to calm the nerves, help relax the mind and support nervous system health to support general health and wellbeing

- Fiji Kava 'Noble Sleep' vegan hard capsules combining Fiji Kava's Noble Kava and Jujube to induce sleep, relieve sleeplessness and support general health and wellbeing

- Fiji Kava 'Noble Body' vegan hard capsules combining Fiji Kava's Noble Kava and Viburnum to enhance body relaxation, relieve muscle cramps and to support general health and wellbeing

## 4. Promoting the Medical Benefits of Noble Kava

### Scientific and traditional evidence support Fiji Noble Kava's therapeutic benefits to health & wellbeing

Fiji Kava is committed to being pioneers in the global Kava industry, through efforts to promote awareness and the benefits of Noble Kava, as well as through medical research and development to shape the future of the industry.

During the quarter, developments include:

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- Re-signing Fiji Kava's Chief Scientific Advisor, Professor Jerome Sarris, who continues to work with the National Institute of Complementary Medicines (NICM) on clinical trial designs for innovative Kava delivery and dose formats for the treatment of anxiety, insomnia and muscle relaxation.

- Investment in a new social media strategy, which has delivered a 6,596% increase in Impressions and 674% increase in consumer engagement during the quarter versus the prior period; delivering new community growth of 583%.

- The adoption of a regional Kava standard by the Codex Alimentarius Commission. The Kava standard adopted by Codex will regulate the Pacific market and has been finalised following a five-year process.

- Ongoing brand amplification through the Coles partnership, including in-store promotions and other promotional activities across traditional and online channels to Coles consumers.

- Continued Memorandum of Understanding (MOU) discussion to progress neuroscientist, Dr Murray Rosenthal clinical trial activities. Dr Rosenthal is a leading US industry expert who has worked extensively on medical research focused on insomnia.

## ADDITIONAL INFORMATION

The Company provides the following disclosure pursuant to the new ASX LR4.7 C.2 to provide information in relation to its "Use of Funds" statement contained In the Section 2.6 of Its IPO prospectus dated 12 October 2018.

The Company has applied all of the funds raised under its IPO prospectus in 2019 and has since raised $725,000 after costs from a convertible note Issue in December 2019 and also undertaken placements of $2.062 million after costs in February 2020 and $4.314 after costs in August 2020. As a result, the total funds raised by the Company after costs including listing is $11.657 million.

Set out below is a comparison table of actual expenditure incurred by the Company compared to the use of funds table specified in the Company's IPO prospectus.

| Allocation of Funds | Planned Spend | Actual Spend |
|---|---|---|
| Clinical Trials and Research | 1,500,000 | 202,715 |
| Farm Costs | 500,000 | 372,028 |
| Ecommerce site / rebranding | 50,000 | 64,256 |
| Marketing | 500,000 | 865,548 |
| Licencing of Kava Extracts | 50,000 | 61,001 |
| Expenses of the Offer | 622,439 | 644,000 |
| Administration costs | 1,135,561 | 1,761,730 |

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| | | |
|---|---|---|
| Working Capital Manufacturing, Operating & Staff Costs | 600,000 | 3,491,889 |
| Fiji Kava Group Loan Repayments | 242,000 | 294,000 |
| Plant and Equipment | - | 44,888 |
| **Total** | **5,200,000** | **7,802,055** |

Of the $5.2 million In the original use of funds, the Company has deferred Clinical Trials and Research in preference to raising revenue via product development, manufacturing, operating and staff costs. All other variances are not material.

Pursuant to ASX LR4.7C.3, the Company advises that payments to related parties include $39,000 director fees and $24,000 consultancy fees paid to the directors.

Pursuant to ASX Listing Rule 4.7C.1, and as outlined In the Appendix 4C, the Company advises It spent $226,000 on product manufacturing and operating costs, $332,000 on administration and corporate costs, $371,000 on staff costs, $126,000 on advertising and marketing, and $43,000 on research and development.

Full details of activity during the September 2020 quarter are set out in this report

## ENDS

### 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. 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 guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Fiji Kava. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

### For Further Information

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## About Fiji Kava

**Fiji Kava Ltd** (ASX: FIJ), an Australian-Fijian medicinal Kava health & wellness company, producing natural 'Noble Kava' products for the complementary and alternative medicine market, estimated to exceed USD $210 billion by 2026 globally.

As the first foreign company with approval from the Fijian Government to operate in the Kava industry. Fiji Kava has established a global leading sustainable and 100% traceable supply chain of 'noble Kava' via its world first Kava tissue culture laboratory and nucleus farm in Levuka, on the island of Ovalau, Fiji.

Fiji Kava is focussed on expanding the availability of Noble Kava products throughout western markets to provide a natural alternative to prescription medicines to promote sleep, soothe and calm the nerves, support muscle relaxation and relax the mind

Backed by years of independent research, Fiji Kava medical Kava products are produced by high-quality GMP and are TGA and FDA compliant.

# Appendix 4C

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

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| Name of entity | |
|---|---|
| **FIJI KAVA LIMITED (ASX:FIJ)** | |
| **ABN** | **Quarter ended ("current quarter")** |
| **40 169 441 874** | **30 September 2020** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 51 | 51 |
| 1.2 | Payments for | | |
| | (a) research and development | (43) | (43) |
| | (b) product manufacturing and operating costs | (226) | (226) |
| | (c) advertising and marketing | (126) | (126) |
| | (d) leased assets | - | - |
| | (e) staff costs | (371) | (371) |
| | (f) administration and corporate costs | (332) | (332) |
| 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 | - | - |
| 1.8 | Other (provide details if material) | | |
| **1.9** | **Net cash from / (used in) operating activities** | **(1,048)** | **(1,048)** |

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

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| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 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** | **-** | **-** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 4,314 | 4,314 |
| 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 | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **4,314** | **4,314** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 1,383 | 1,383 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,048) | (1,048) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 4,314 | 4,314 |
| 4.5 | Effect of movement in exchange rates on cash held | 8 | 8 |
| **4.6** | **Cash and cash equivalents at end of period** | **4,657** | **4,657** |

| 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 | 4,657 | 1,383 |
| 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)** | **4,657** | **1,383** |

| 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 | 63 |
| 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

Payments to related parties include $39,000 director fees and $24,000 consultancy fees paid to the directors.

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| 7. | **Financing facilities**<br>*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.* | **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) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 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.

| |
|---|
| |

| **8.** | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (1,048) |
| 8.2 | Cash and cash equivalents at quarter end (Item 4.6) | 4,657 |
| 8.3 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 | Total available funding (Item 8.2 + Item 8.3) | 4,657 |
| 8.5 | **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)** | 4.44 |

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: |

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: |

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: |

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## 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: 27 October 2020

Authorised by: .The board of Directors
(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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