



31 October 2022

Quarterly activities report – 30 September 2022

Corporate and financial highlights:

- Total group revenue of A\$2,054,011 – a 77.0% increase on the previous corresponding period (PCP) and a 30.7% increase on the last quarter
- Q3 revenue takes Creso Pharma’s unaudited year-to-date revenue to A\$6,368,319, already exceeding CY21, which was a record revenue year for Creso
- Growth underpinned by sales into North America from Sierra Sage Herbs LLC. (“SSH”) and Mernova Medicinal Inc. (“Mernova”), as well as Creso Pharma Switzerland (“CPS”)
- Non-binding term sheet secured to acquire Health House International Limited (“Health House”)
- Proposed transaction will underpin international expansion and revenue growth
- Health House generated \$4.6m in cash receipts during the quarter, driven by strong revenue performance in Australia
- Strategic placement to raise \$5m completed – funds to underpin ongoing business development and scale up opportunities globally
- Additional \$2m from previous placements expected to be received following approval at general meeting
- Subsequent to quarter end, the Company received commitments to raise up to an additional \$7.6m, via a convertible securities agreement with Obsidian Global Partners LLC, and a secured convertible note from new and existing professional investors (refer to ASX announcement dated 1 Nov 2022 for additional details)
- Acquisition of Sierra Sage Herbs completed – providing maiden entry into USA

Operational highlights:

- Non-binding Heads of Agreement secured with Gotro Global Inc. to introduce SSH products into Singapore pet care market
- SSH also entered into a non-exclusive private label manufacturing agreement with FSA Store Inc. to produce the group’s inaugural plant-based first-aid collection
- Creso Pharma ImpACTIVE Inc. (“ImpACTIVE”) appointed four leading brand ambassadors to drive product uptake and awareness prior to range launch
- ImpACTIVE launched maiden product through ecommerce channels – unlocking another major market opportunity for Creso Pharma
- Creso Pharma Switzerland entered into a non-binding, non-exclusive Letter of Intent (“LOI”) with Providence Animal Health Korea Ltd (“Providence Animal Health Korea”)
- Product registration awarded shortly after initial MOU with Providence Animal Health with launch anticipated shortly



- **Halucenex Life Sciences Inc. (“Halucenex”) continued strong momentum towards phase II clinical trial into the efficacy of psilocybin on Post Traumatic Stress Disorder (PTSD)**
- **Mernova maintained strong revenue levels, despite challenging market backdrop**

Creso Pharma Limited (ASX:CPH, FRA:1X8) (‘Creso Pharma’ or ‘the Company’) is pleased to provide the following summary of activities undertaken during the three month period ended 30 September 2022 (the ‘quarter’), together with its Appendix 4C quarterly cash flow report.

Commentary:

Managing Director Mr William Lay said: *“Creso Pharma has continued to achieve a number of operational and corporate milestones that will lay a strong foundation for the remainder of CY2022 and beyond.*

“Corporately, the Company finalised its acquisition of SSH and entered into an agreement to acquire Health House International. Since the initial agreement with SSH, the division has unlocked considerable value for shareholders and we are confident that Health House International will underpin further international growth.

“From an operational standpoint, all business divisions continued to perform pleasingly and have a number of near term value catalyst pending. We look forward to providing additional updates on developments over the coming months.”

Financial and corporate overview:

Financial overview:

Total group revenue for the quarter was A\$2,054,011, which highlighted a 77.0% increase on the previous corresponding period (PCP) and a 30.7% increase on the previous quarter. This was underpinned by Mernova’s ongoing sales into Canadian provinces, maiden SSH revenue for the Group, as well as Creso Pharma Switzerland. Total group revenue generated year-to-date is A\$6,368,319, already exceeding record revenues achieved during CY21.

As per the accompanying Appendix 4C, cash at bank at the end of the quarter was \$1.6 Million. Subsequent to quarter end, the Company has received commitments to raise up to \$7.6m, via a convertible securities agreement with Obsidian Global Partners LLC, and a secured convertible note from new and existing professional investors (refer to ASX announcement dated 1 Nov 2022 for additional details). The Company also expects to receive \$2m in proceeds from director participation in previous capital raises, subject to shareholder approval. Net cash outflows from operating activities were A\$5,295,000, an increase on the last quarter. The rise is attributed to increase product manufacturing and operating costs from SSH and Mernova, including some integration and transaction related costs at SSH. The Board and management remain focused on stringent cash controls and continue undertaking steps to reduce capital expenditure. YTD cash outflow from operations of A\$10,978,000 represents a significant improvement on the same period in 2021 (A\$16,873,000).

Further, payments to related parties and their associates as detailed in Section 6 of the Appendix 4C relate to director fees (\$368,000) and other services (\$151,000).

Acquisition of Sierra Sage Herbs LLC completed:

Creso Pharma completed its acquisition of Sierra Sage Herbs LLC (“Sierra Sage Herbs” or “SSH”) (refer ASX announcement: 3 February 2022) during the quarter. As part of the acquisition, Creso Pharma issued a total of 357,614,203 shares to the vendors of SSH, per the Appendix 2A released on 29 August 2022. Further milestone shares may be issued to the vendors of SSH upon satisfaction of milestone conditions as detailed in the Notice of General Meeting dated 11 July 2022.

This is a major milestone for Creso Pharma providing an entry into the burgeoning US market, an established product suite of plant-based and CBD products, additional revenue channels, in-country supply chain and manufacturing, broadened distribution and relationships with major US retail groups.



Non-binding term sheet to acquire Health House International Ltd:

The Company signed a non-binding term sheet with Health House International Ltd (ASX: HHI) (“Health House” or “HHI”) under which it is proposed that Creso Pharma will acquire 100% of the shares in Health House by way of a scheme of arrangement to be undertaken by Health House (“Scheme”). The Scheme will be subject to shareholder and Court approval in accordance with the requirements of Part 5.1 of the Corporations Act 2001 (Cth).

Health House is an international distributor of medicinal cannabis and holds a number of strategic licenses to store, distribute, import, export and sale of controlled drugs. Health House is well positioned with early mover advantage in the UK and European medicinal cannabis markets.

The proposed acquisition of Health House by Creso Pharma would create a global organisation with strong medicinal cannabis production and distribution capabilities, as well as a growing revenue profile.

Strategic placement – firm commitments to raise A\$7m for international growth:

Strengthening its cash position, Creso Pharma secured firm commitments from institutional, professional and sophisticated investors to raise approximately A\$7m (before costs) through the issue of ~175m new fully paid ordinary shares (“Shares”) at an issue price of A\$0.04 per Share (“Placement”). The Placement included commitments from the Company’s Board and management.

Funds are being deployed to a number of international growth opportunities, product suite expansion and general working capital across the Group.

Operational overview:

Wholly-owned US subsidiary, Sierra Sage Herbs:

During the quarter, unaudited revenue generated from SSH was A\$1,120,942, which underpinned total group revenue during Q3 2022.

The Company made considerable progress on a global scale through Sierra Sage Herbs’ operations. This included securing a non-binding, non-exclusive Heads of Agreement with leading pet care products distributor, Gotro Global, which unlocked the potential for Creso Pharma to gain a foothold in the lucrative Singapore pet care market.

Elsewhere, SSH entered into a non-exclusive private label manufacturing agreement with FSA Store Inc., a part of leading consumer health and wellness online retailer Health-E Commerce to produce the group’s inaugural plant-based first-aid collection.

Based in New York, Health-E Commerce is a leading online retailer of health and wellness products. The group is the parent brand to FSA Store, HSA Store, and WellDeservedHealth. The company also created Caring Mill, a popular private-label line of health products that benefits Children’s Health Fund and enables customers to make a donation with each purchase.

Under the terms of the agreement, SSH will oversee and manage product development, supply chain logistics and production, while FSA Store Inc. will ensure the collection is made available to the millions of consumers that are enrolled in tax-advantage health accounts. The collection is aimed at the more than 70m Americans enrolled in flexible spending accounts (FSAs) and health savings account (HSAs), which allow them to set aside pre-tax income to pay for qualified healthcare expenses, including products for everyday health and wellbeing. This a major opportunity for Creso Pharma and SSH, given there was over US\$2.34Bn contributed to FSAs in 2020¹.

The division also considerably increased its US retail footprint, announcing that it will launch a new all natural skincare collection in ~400 select Walmart stores across the US. The launch included a preliminary purchase order from a distributor valued at US\$214,000 for delivery and stocking in during Q3 2022.



The Company will launch its new 'Plants for your Face & Body' skincare collection under the established Green Goo brand. The range utilises the brand's proprietary lipid infusion process and infuses healing herbs and plant based botanicals.

The collection includes a range of targeted plant-based solutions focused on anti-aging, acne and eczema. SSH will deliver a variety of face and body washes, serums, roll-ons and sticks providing consumers with a number of delivery methods.

Wholly-owned Canadian subsidiary Creso Pharma ImpACTIVE Inc. ("ImpACTIVE"):

ImpACTIVE made considerable progress ahead of its product launch, appointing a number of leading brand ambassadors to drive awareness. The Company entered into agreements with prominent female professional golfer, Ms Kelly Whaley, American professional golfer, Mr Will Wilcox and renowned performance coach, Dr Troy Van Biezen.

Following these initial agreements, ImpACTIVE also appointed decorated multi-sport performance coach Kolby Tullier as an ambassador. Mr Tullier is an owner, partner and director of sports performance at Joey D Golf Sports Training, a leading coaching facility located in Jupiter, Florida. He has been instrumental in the careers of PGA Tour superstars Justin Thomas, Max Homa, and Harold Varner, the NFL's Cody Parkey and Demaryius Thomas, the MLB's Paul Goldschmidt and Will Harris, and LPGA star's Lexi Thompson, Michelle Wie, and the Korda sisters. Most recently, he has played a key role in assisting world-renowned golfer Tiger Woods in his rehabilitation attempts. Mr Tullier currently uses ImpACTIVE's products and has experienced the benefits first hand.

Subsequent to these appointments, ImpACTIVE launched its product range online through its website www.impactivecbd.com. ImpACTIVE introduced the Pro Releaf Stick roll-on product, which contains a balance of full spectrum CBD and essential oils. The product is Good Manufacturing Practice (GMP) and ISO22716 certified and designed to provide soothing relief to muscle aches and act as an alternative to pharmacological solutions which have been shown to have addictive traits and negative side effects.

Creso Pharma Switzerland ("CPS"):

CPS underpinned ongoing global expansion, signing a non-binding, non-exclusive Letter of Intent ("LOI") with Providence Animal Health Korea Ltd ("Providence Animal Health Korea") (www.farmina.co.kr/shop/) to work towards the registration, importation and commercialisation of Creso Pharma's anibidiol® product suite for the South Korean market. Under the LOI, Creso Pharma and Providence Animal Health Korea will work towards the registration, importation and commercialisation of Creso Pharma's anibidiol® product suite.

Subsequent to the end of the period, CPS secured product registration with the relevant Korean regulatory agencies and will commence importation initiatives shortly.

Mernova Medicinal Inc. – Cannabis cultivations and sales division:

During the quarter, unaudited revenue generated from Mernova was A\$907,742.

Mernova strengthened its position as a leading provider throughout Canada. The division continued to make pleasing progress through the Ontario Cannabis Store's ("OCS") retail flow through program (refer ASX announcement: 28 June 2022) following higher than anticipated sales of its Black Mamba strain during Mernova's first weeks of participation in the program.

The OCS' flow through program is a recently introduced framework that allows retail outlets in Ontario to submit sales orders to the province, which then amalgamates these allocations and submits a PO on behalf of all retailers. Ontario is Canada's largest market for recreational cannabis use and has nearly 1,500 licensed retailers highlighting a major opportunity for Mernova.

The OCS also accepted three new Mernova products, which may result in POs across the remainder of the financial year. New products to be ranged with the OCS include the Company's Black Mamba and Grape Cream Cake strains in pre-roll joint form sold under the Ritual Sticks brand and Grape Cream Cake in dried flower form sold under the Ritual Green brand as part of the general listing program. Following receipt of the notice of



acceptance, Mernova has commenced work to ship the new SKUs to the OCS distribution centres. This is anticipated to be completed during the current half year.

Despite this progress, revenue growth at Mernova was hindered by a cyber-attack that occurred on the OCS in August, resulting in the system being shut down for approximately 3 weeks. During this time, sales stemming from the flow through platform were affected. This has since been rectified and the Company continues to witness pleasing demand in Ontario.

Mernova also secured a number of purchase orders through provincial partners in Ontario, Nova Scotia, the Yukon, Saskatchewan and New Brunswick. These included orders for Mernova's Ritual Green cannabis strains, as well as follow on POs for Ritual Gold vaporiser products.

Halucenex Life Sciences Inc. – wholly-owned psychedelic operation:

Halucenex made considerable progress towards the commencement of its planned phase II clinical trial which will test the efficacy of psilocybin on treatment resistant Post Traumatic Stress Disorder (PTSD).

Following a considerable volume of enquiries from potential trial participants, Halucenex has made the strategic decision to apply for amendments to its currently approved CTA (refer ASX announcement: 28 February 2022) to include cohorts that are currently utilising Selective Serotonin Reuptake Inhibitors (SSRIs) and not require potential patients to stop using prescribed medications for a week prior to the potential Phase II trials' commencement.

The decision comes following ongoing engagement with potential patients, veterans affairs groups and the general public and will broaden the scope of the planned clinical trials. It will also provide Halucenex with additional data on how psilocybin interacts when used in combination with other medication commonly used by PTSD sufferers. The division secured the amendment from Health Canada in August 2022.

Further and following an ongoing review of service providers and costing, Halucenex engaged leading research organisation, KGK Science Inc. ("KGK") to assist with clinical trial initiatives. As a premium full-service contract research organisation, KGK is dedicated to providing clinical trial research that meets the highest quality standards. Led by a team of scientific research and regulatory experts, KGK combines cutting-edge clinical science with industry expertise to design clinical trials and claim substantiation strategies customised to meet the needs of clients.

KGK replaces previously appointed investigator True North Clinical Research (refer ASX announcement: 17 March 2021), due to the group's expertise in pharmaceuticals and natural health products and cost effectiveness.

Dr Gosia Eve Phillips, MD, DABPN was also appointed as Principal Investigator to the trial. Dr Phillips is a doctor of medicine and certified neurologist. She earned her Doctor of Medicine in 2001 and has also undertaken various educational practises through the University of Massachusetts Medical School, Columbia University and the Beth Israel Deaconess Medical Centre, Harvard University. Dr Phillips' certifications include a licentiate of the Medical Council of Canada, a Diplomate, American Board of Psychiatry and Neurology, as well as a Diplomate, American Board of psychiatry and Neurology (subspecialty sleep medicine).

In a major milestone, the division also received Research Ethics Board ("REB") approval for all documentation and procedures associated with its planned phase II clinical trial. The Company has now completed all required approvals ahead of its clinical trial and will utilise its 100%-owned and formulated synthetic psilocybin aqueous product Lucenex during the trial in both 10mg and 25mg formats. Administration of first dosages under clinical trial settings is expected to occur shortly.

-Ends-

Authority and Contact Details



This announcement has been authorised for release by the Board of Directors of Creso Pharma Limited.

For further information, please contact:

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About Creso Pharma

Creso Pharma Limited (ASX:CPH) brings the best of cannabis to better the lives of people and animals. It brings pharmaceutical expertise and methodological rigor to the cannabis world and strives for the highest quality in its products. It develops cannabis and hemp derived therapeutic, nutraceutical, and life style products with wide patient and consumer reach for human and animal health.

Creso Pharma uses GMP (Good Manufacturing Practice) development and manufacturing standards for its products as a reference of quality excellence with initial product registrations in Switzerland. It has worldwide rights for a number of unique and proprietary innovative delivery technologies which enhance the bioavailability and absorption of cannabinoids. To learn more please visit: www.cresopharma.com

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Forward Looking statements

This announcement contains forward-looking statements with respect to Creso and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Creso could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.



The cautionary statements qualify all forward-looking statements attributable to Creso and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Creso has no obligation to up-date such statements, except to the extent required by applicable laws.

ⁱ FSA Database (ebri.org)

Appendix 4C

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

Name of entity

Creso Pharma Limited

ABN

89 609 406 911

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,460	5,376
1.2 Payments for		
(a) research and development	(290)	(337)
(b) product manufacturing and operating costs	(1,663)	(4,575)
(c) advertising and marketing	(355)	(661)
(d) leased assets	-	-
(e) staff costs	(2,145)	(5,659)
(f) administration and corporate costs	(2,302)	(5,122)
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 refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(5,295)	(10,978)
Note:		
During the quarter and the year to date, the Company issued shares in lieu of cash payments for debts outstanding comprising:		
	200,000 shares	1,670,588 shares
Deemed value in lieu of cash	9	134

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
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1.10 Include below any explanation necessary to understand the transactions included in items
1.2

Increases in Q3 payments for operating activities were mainly due to:

- Decreases in trade receipts: \$500k in Mernova and \$810k in Switzerland; off-set by A\$475k receipts in Sierra Sage Herbs (SSH) in the quarter
- A\$1,221k payments by SSH in this quarter.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(1,132)	(3,542)
(c) property, plant and equipment	(139)	(404)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	11
(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 (Cash received on acquisition)	170	170
2.6 Net cash from / (used in) investing activities	(1,100)	(3,765)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	5,260	9,942
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	8
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(353)	(663)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.5	Proceeds from borrowings	(34)	(34)
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	4,873	9,253

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,108	7,062
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,295)	(10,978)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,101)	(3,765)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,873	9,253
4.5	Effect of movement in exchange rates on cash held	68	81
4.6	Cash and cash equivalents at end of period	1,653	1,653

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	1,653	3,108
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)	1,653	3,108

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	519
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 made to related parties and their associates comprise:	\$A'000
- Directors fees	368
- Capital raising Fees	-
- Other services	151
Aggregate amount as above	519

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Secured Loan facilities	-	-
Unsecured 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	nil
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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)	(5,295)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,653
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	1,653
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.31

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

- 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: No. Whilst net operating cash flows increased in H1'22 and decreased in Q3'22 (see item 1.10), they are expected to improve in Q4'22 through increased revenues and measures to reduce overheads across the entire business.

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: The Company has secured future funding as follows:

- Firm commitments to raise at least A\$2.6m in October through the offer of convertible notes (ASX Announcement 1 November 2022).
- A\$2.058m from Directors and a former Director as part of the capital raisings concluded in February and July 2022, which amount is subject to shareholder approval at a future General Meeting.
- A convertible securities agreement with New York based Obsidian Global GP LLC for the issue of convertible securities with an aggregate purchase price of up to A\$5m ("Agreement"). Draw-down arrangements are:
 - \$1.75m of debt to be drawn down within 5 days of execution of the Agreement;
 - \$1.75m to be drawn down subject to shareholder approval at a future General Meeting.
 - \$1.5m on a date to be agreed between the parties.

The Company is confident that it will be successful in securing funding sufficient to ensure its operations continue to develop as planned and to capitalise on the strong growth in sales revenue experienced in FY'21 and HY'22.

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: Yes, through a combination of items 1 and 2 above.

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: 31 October 2022

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.

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

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.