

AQUABOTIX

UUV Aquabotix Ltd

ACN 616 062 072

Suite 5 CPC, 145 Stirling Hwy, Nedlands WA 6009

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7 November 2019

Ms Melissa Lim

Adviser, Listings Compliance (Sydney)

ASX Limited

20 Bridge Street

Sydney NSW 2000

By email: listingscompliancesydney@asx.com.au

Dear Ms Lim,

UUV AQUABOTIX LTD (ASX:UUV) – RESPONSE TO ASX APPENDIX 4C QUERY

We refer to ASX's query dated 5 November 2019 in relation to the Company's Appendix 4C Quarterly Report for the period ended 30 September 2019 (lodged with ASX and released on 31 October 2019) and respond as follows:

1. Does UUV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

As noted in its quarterly report, and announced to ASX in September, the Company has secured a significant order of SwarmDiver EDGE™ from a major Asian military agency aligned with Australia and the United States. This approximately A\$520,000 order is the largest in Aquabotix's short history with revenues from the order to be received post the end of the last quarter.

The Company is also delivering on its US Military orders which will result in cash receipts over the coming quarters.

Notwithstanding the above, the Company anticipates that, absent further new revenue-generating commercial agreements, it will continue to have negative operating cash flows for the time being.

2. Has UUV 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?

Over the recent months the Company has successfully raised equity capital including via rights issues completed in March and May and placements completed in July and October (the proceeds from the latter which are therefore not included in the reported cash balance at the end of the September quarter), and debt capital via an arms-length credit facility from a major shareholder in March.

Whilst, at this stage, the Company has not taken any further confirmed steps to raise further capital to fund its operations it is confident that sufficient capital will be available to it should it be required.

3. Does UUV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes – see above.

4. Please confirm that UUV is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

Confirmed

5. Please confirm that UUV's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of UUV with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Winton Willesee', with a stylized, cursive script.

WINTON WILLESEE

Joint Company Secretary

UUV Aquabotix Ltd



5 November 2019

Reference: 10210

Mr Winton Willesee
Company Secretary
UUV Aquabotix Ltd
Suite 5 CPC 145 Stirling Highway
Nadlands WA 6009

By email

Dear Mr Willesee

UUV Aquabotix Ltd ('UUV'): Appendix 4C Query

ASX refers to UUV's Appendix 4C quarterly report for the period ended 30 September 2019 lodged with the ASX Market Announcements Platform and released on 31 October 2019 (the 'Appendix 4C').

ASX notes that UUV has reported:

- negative net operating cash flows for the quarter of \$504,754;
- cash at the end of the quarter of \$330,249; and
- estimated cash outflows for the next quarter of \$625,000.

It is possible to conclude, based on the information in the Appendix 4C, that if UUV were to continue to expend cash at the rate indicated by the Appendix 4C, UUV may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks UUV to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does UUV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has UUV 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?
3. Does UUV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that UUV is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that UUV's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of UUV with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that UUV considers may be relevant to ASX forming an opinion on whether UUV is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Friday, 8 November 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in UUV's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, UUV's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to UUV's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that UUV's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in UUV's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Melissa Lim
Adviser, Listings Compliance (Sydney)