

# **Aquirian Pty Ltd and controlled entities**

**ABN: 23 634 457 506**

## **Consolidated Financial report**

For the half year ended 31 December 2020

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## **AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

### **DIRECTORS' REPORT**

The directors present their report together with the financial report of Aquirian Pty Ltd (the "company") and its controlled entities (the "group"), for the half year ended 31 December 2020 and auditor's report thereon.

#### **Directors names**

The names of the directors in office at any time during or since the end of the half year are:

David Kelly

Gregory Patching

Bruce McFadzean (Appointed 9 April 2021)

Alexandra Atkins (Appointed 9 April 2021)

The directors have been in office since the start of the half year to the date of this report unless otherwise stated.

#### **Results**

The profit of the group for the half year after providing for income tax amounted to \$600,717 (30 June 2020 period: \$1,174,311).

#### **Review of operations**

The group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

#### **Significant changes in state of affairs**

There were no significant changes in the group's state of affairs that occurred during the financial half year, other than those referred to elsewhere in this report.

#### **Principal activities**

The principal activity of the group during the half year was the provision of equipment, workforce and training solutions to the mining and resources industry and the supply of storage solutions for energetic materials and dangerous goods.

The following significant changes in the nature of the principal activity of the group occurred during the half year.

During the financial half year, the group acquired 100% of the business assets of Maglok Australia, a manufacturer of storage solutions for energetic materials and dangerous goods. Further information in relation this acquisition can be found within Note 12.

## **AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

### **DIRECTORS' REPORT**

#### **After balance date events**

Particulars of matters or circumstances that have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years are as follows:

On 18 March 2021, the shareholders of Aquirian Pty Ltd resolved that its 100,000 fully paid ordinary shares be split into 40,000,000 fully paid ordinary shares. Shareholders received 400 shares for each fully paid ordinary share held prior to the resolution being carried.

On 24 March 2021, a special resolution of the members of Aquirian Pty Ltd was proposed in order to change company type from a proprietary company limited by shares, to a public company limited by shares. This special resolution was passed by all members on 9 April 2021. Aquirian Pty Ltd was gazetted by the ASIC on 27 April 2021 and is expected to convert to a public company limited by shares with effect from 27 May 2021.

On 7 April 2021, the company submitted an In-Principle Advice to the Australian Securities Exchange ("ASX") in connection with its suitability for admission to the official list of ASX. A further In-Principle Advice was submitted on 30 April 2021 and the company is currently working towards an Initial Public Offering which is expected to take place in June/July 2021.

On 9 April 2021, Mr Bruce McFadzean and Ms Alexandra Atkins were appointed as Directors of Aquirian Pty Ltd.

#### **Likely developments**

The group expects to maintain the present status and level of operations.

#### **Environmental regulation**

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

#### **Dividends paid, recommended and declared**

No dividends were paid or declared since the start of the half year. No recommendation for payment of dividends has been made.

## AQUIRIAN PTY LTD AND CONTROLLED ENTITIES

ABN: 23 634 457 506

### DIRECTORS' REPORT

#### Information on directors

##### **David Kelly**

Managing Director

David has worked globally in the mining industry for over 20 years, predominantly in the drill and blast sector. David joined the Aquirian Group shortly after it was founded. Prior to joining Aquirian, he was the founding Managing Director of Hanwha Mining Services in Australia. His career has also included over a decade with Orica where he worked in various commercial and operations roles in Australia, Hong Kong and Indonesia, including leading group training globally.

David has a Graduate Certificate in Business from UWA, has completed the AICD International Directors Course and is a member of the AICD.

##### **Gregory Patching**

Executive Director

Greg has worked in the mining industry for over 30 years, predominantly in the drill and blast sector. With over 20 years with Orica, Greg served as the President Director of Indonesia along with global customer management with all the major mining houses.

Greg founded the Aquirian Group and has a long track record of delivery across a number of businesses. Managing the Innovation and IP commercialisation pipeline will be his prime focus. Greg is also a graduate of the AICD.

##### **Bruce McFadzean**

(Appointed 9 April 2021)

Independent, Non-Executive Chairman

Bruce is a qualified mining engineer with more than 40 years' experience in the global resources industry. Bruce has led the financing, development and operation of several new mines around the world. His professional career includes 15 years with BHP Billiton and Rio Tinto in a variety of positions and four years as Managing Director of Catalpa Resources, a successful Western Australian gold miner which, under his management, saw its market capitalisation grow from \$10 million to \$1.2 billion following its merger with Evolution Mining.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**DIRECTORS' REPORT**

**Information on directors (Continued)**

**Alexandra Atkins**

(Appointed 9 April 2021)

Independent, Non-Executive Director

Alexandra has over 25 years' experience in the mining industry. Alexandra is qualified as a Mining Engineer, Geotechnical Engineer and Geologist, holds First Class Mine Manager's Certificates for Western Australia and Queensland, has an MBA (Finance) from the Australian Institute of Business, is a graduate of the AICD and is a Chartered Professional Fellow of The AusIMM.

Her career history includes working as a Geologist for Australian Consolidated Minerals, a Mining Engineer for Mt Isa Mines Ltd, an Underground/Airleg Miner for Plutonic Resources, a Geotechnical Engineer for Placer Dome, a Mining Engineer for Murchison United, a Construction Project Engineer at Cairns Regional Council, a Senior Mining Engineer for AMC Consultants and a District Inspector of Mines for the WA Department of Mines and Petroleum.

**Options**

No options over unissued shares or interests in the group were granted during or since the end of the half year and there were no options outstanding at the end of the half year.

**Indemnification of officers**

No indemnities have been given or insurance premiums paid, during or since the end of the half year, for any person who is or has been an officer of the group.

**Indemnification of auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the half year, for any person who is or has been an auditor of the group.

**Auditor's independence declaration**

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial half year is provided with this report.

**Proceedings on behalf of the group**

No person has applied for leave of Court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of those proceedings.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**


**DIRECTORS' REPORT**

**Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, the amounts in the Director's report and in the financial statements have been rounded to the nearest \$1 (where rounding is applicable).

Signed in accordance with a resolution of the board of directors.

Director:   
\_\_\_\_\_  
David Kelly

Director:   
\_\_\_\_\_  
Gregory Patching

Dated this 18th day of May 2021

AQUIRIAN PTY LTD  
ABN: 23 634 457 506

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF AQUIRIAN PTY LTD**


In relation to the independent audit for the half year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Aquirian Pty Ltd and the entities it controlled during the half year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 18 May 2021



**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

		6 months ended 31 December 2020 \$	period from 27 June 2019 - 30 June 2020 \$
	Note		
<b>Revenue and other income</b>			
Revenue from contracts with customers	3	6,293,653	10,460,781
Other revenue		58,891	165,928
Other income		<u>122,731</u>	<u>400,143</u>
		<u>6,475,275</u>	<u>11,026,852</u>
<b>Less: expenses</b>			
Materials and consumables used		(3,689,776)	(6,234,254)
Depreciation and amortisation expense	4	(351,159)	(675,706)
Employee benefits expense		(1,042,258)	(1,828,283)
Occupancy expense		(39,186)	(36,933)
Advertising expense		(48,422)	(88,319)
Finance costs	4	(51,502)	(85,464)
Other expenses		<u>(441,192)</u>	<u>(610,102)</u>
		<u>(5,663,495)</u>	<u>(9,559,061)</u>
<b>Profit before income tax expense</b>		811,780	1,467,791
Income tax expense		<u>(211,063)</u>	<u>(293,480)</u>
<b>Net profit from continuing operations</b>		<u>600,717</u>	<u>1,174,311</u>
<b>Other comprehensive income for the period</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u><u>600,717</u></u>	<u><u>1,174,311</u></u>

The accompanying notes form part of these financial statements.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2020**

	<b>Note</b>	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
<b>Current assets</b>			
Cash and cash equivalents		1,702,414	1,774,006
Receivables	5	1,514,238	682,407
Inventories		93,192	51,099
Other assets	6	<u>397,729</u>	<u>77,084</u>
<b>Total current assets</b>		<u>3,707,573</u>	<u>2,584,596</u>
<b>Non-current assets</b>			
Intangible assets	7	874,248	335,421
Lease assets		370,088	431,457
Deferred tax assets		167,517	167,517
Property, plant and equipment	8	<u>1,772,903</u>	<u>1,374,170</u>
<b>Total non-current assets</b>		<u>3,184,756</u>	<u>2,308,565</u>
<b>Total assets</b>		<u>6,892,329</u>	<u>4,893,161</u>
<b>Current liabilities</b>			
Payables	9	1,446,260	923,380
Lease liabilities		107,475	109,640
Borrowings	10	635,312	434,043
Provisions	11	228,871	144,266
Current tax liabilities		<u>593,182</u>	<u>512,321</u>
<b>Total current liabilities</b>		<u>3,011,100</u>	<u>2,123,650</u>
<b>Non-current liabilities</b>			
Lease liabilities		281,716	336,572
Borrowings	10	<u>1,206,527</u>	<u>640,670</u>
<b>Total non-current liabilities</b>		<u>1,488,243</u>	<u>977,242</u>
<b>Total liabilities</b>		<u>4,499,343</u>	<u>3,100,892</u>
<b>Net assets</b>		<u>2,392,986</u>	<u>1,792,269</u>
<b>Equity</b>			
Contributed capital		100	100
Retained earnings		<u>2,392,886</u>	<u>1,792,169</u>
<b>Total equity</b>		<u>2,392,986</u>	<u>1,792,269</u>

The accompanying notes form part of these financial statements.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Consolidated</b>				
<b>Balance as at 27 June 2019 (date of incorporation)</b>	-	-	-	-
Profit for the period	-	-	<u>1,174,311</u>	<u>1,174,311</u>
<b>Total comprehensive income for the period</b>	-	-	<u>1,174,311</u>	<u>1,174,311</u>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions	100	-	-	100
Reserve recognised as part of a common control transaciton	-	617,858	-	617,858
Less reserve amounts transferred to retained earnings during the period	-	<u>(617,858)</u>	<u>617,858</u>	-
<b>Total transactions with owners in their capacity as owners</b>	<u>100</u>	<u>-</u>	<u>617,858</u>	<u>617,958</u>
<b>Balance as at 30 June 2020</b>	<u>100</u>	<u>-</u>	<u>1,792,169</u>	<u>1,792,269</u>
<b>Balance as at 1 July 2020</b>	100	-	1,792,169	1,792,269
Profit for the half year	-	-	<u>600,717</u>	<u>600,717</u>
<b>Total comprehensive income for the half year</b>	-	-	<u>600,717</u>	<u>600,717</u>
<b>Balance as at 31 December 2020</b>	<u>100</u>	<u>-</u>	<u>2,392,886</u>	<u>2,392,986</u>

The accompanying notes form part of these financial statements.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 23 634 457 506**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>6 months ended 31 December 2020</b>	<b>period from 27 June 2019 - 30 June 2020</b>
	\$	\$
<b>Cash flow from operating activities</b>		
Receipts from customers	6,280,802	12,072,780
Payments to suppliers and employees	(5,662,488)	(10,639,621)
Interest received	71	928
Finance costs	(44,098)	(67,606)
Income tax paid	(130,202)	(233,074)
Finance costs - lease liabilities	<u>(7,404)</u>	<u>(17,858)</u>
<b>Net cash provided by operating activities</b>	<u>436,681</u>	<u>1,115,549</u>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	222,332	543,500
Payment for property, plant and equipment	(255,500)	(224,387)
Payment for intangibles	-	(115,090)
Acquisition of Modular Training Pty Ltd, net of cash acquired	-	(146,170)
Payments for the acquisition of Maglok Australia	<u>(690,000)</u>	<u>-</u>
<b>Net cash provided by / (used in) investing activities</b>	<u>(723,168)</u>	<u>57,853</u>
<b>Cash flow from financing activities</b>		
Net proceeds from borrowings	271,916	(599,986)
Principal portion of lease payments	<u>(57,021)</u>	<u>(110,326)</u>
<b>Net cash provided by / (used in) financing activities</b>	<u>214,895</u>	<u>(710,312)</u>
<b>Reconciliation of cash</b>		
Cash at beginning of the period	1,774,006	1,310,916
Net increase / (decrease) in cash held	<u>(71,592)</u>	<u>463,090</u>
<b>Cash at end of period</b>	<u>1,702,414</u>	<u>1,774,006</u>

The accompanying notes form part of these financial statements.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a condensed consolidated half-year financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. As a result, the financial report does not include all the notes of the type usually included in an annual financial report.

The financial report covers Aquirian Pty Ltd (the "company") and its consolidated entities (the "group") for the half year ended 31 December 2020. Aquirian Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Aquirian Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

Except as disclosed within Note 1 (below), the accounting policies applied in this half year financial report are consistent with those of the financial report for the prior period ended 30 June 2020 and should be read in conjunction with this financial report.

**(a) Basis of preparation of the financial report**

*Compliance with IFRS*

The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

**(b) Going concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

**(c) Comparatives**

The comparative information presented is from the date of incorporation (27 June 2019) to 30 June 2020, and accordingly amounts presented in this financial report are not entirely comparable.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 23 634 457 506**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Revenue from contracts with customers**

The group derives revenue from the sale and rental of mining equipment. Revenue is also derived labour hire services and educational training. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the group expects to be entitled in exchange for the goods or services.

During the period, the group as a result of its acquisition of Maglok Australia (refer Note 15), commenced the development, installation, delivery and maintenance of explosives and dangerous substance storage solutions. The group identifies one performance obligation in its contractual arrangement with customers for such activities. Revenue is recognised using an input method to measure progress towards complete satisfaction of the performance obligation, because the customer simultaneously receives and consumes the benefits provided by the group.

*Receivables from contracts with customers*

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

**NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the group. The group has decided not to early adopt any of these new and amended pronouncements. The group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below.

***AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business (applicable for annual reporting periods commencing on or after 1 January 2020).***

AASB 2018-6 amends AASB 3: *Business Combinations* to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:

- (a) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- (b) remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs;
- (c) add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- (d) narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

- (e) add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

AASB 2018-6 mandatorily applies to annual reporting periods commencing on or after 1 January 2020, and will be first applied by the group in the financial year commencing 1 July 2020.

The directors of the group has not yet determined the likely impact of the initial application of this standard on its financial statements.

***AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material (applicable for annual reporting periods commencing on or after 1 January 2020).***

AASB 2018-7 principally amends AASB 101: *Presentation of Financial Statements* and AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

AASB 2018-7 mandatorily applies to annual reporting periods commencing on or after 1 January 2020, and will be first applied by the group in the financial year commencing 1 July 2020.

The directors of the group has not yet determined the likely impact of the initial application of this standard on its financial statements.

***AASB 2020-2: Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities (applicable for annual reporting periods commencing on or after 1 July 2021)***

AASB 2020-2 removes the reporting entity concept from a number of standards for certain for-profit private sector entities. Such entities are therefore not able to prepare special purpose financial statements and must prepare general purpose financial statements. The amending standard principally amends AASB 1057 *Application of Australian Accounting Standards* and the *Conceptual Framework for Financial Reporting* so that they apply explicitly to:

- (a) for-profit private sector entities that are required by legislation to prepare financial statements that comply with either Australian Accounting Standard or accounting standards (with the previous limitation to entities with public accountability removed) and
- (b) other for-profit private sector entities that are required only by constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, provided that the relevant document was created or amended on or after 1 July 2021.

AASB 2020-2 mandatorily applies to annual reporting periods commencing on or after 1 July 2021 and will be first applied by the group in the financial year commencing 1 July 2021.

The directors of the group has not yet determined the likely impact of the initial application of this standard on its financial statements.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 23 634 457 506**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

***AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018 – 2020 and Other Amendments (applicable for annual reporting periods commencing on or after 1 January 2022)***

AASB 2020-3 amends AASB 1 *First-time Adoption of Australian Accounting Standards*, AASB 3 *Business Combinations*, AASB 9 *Financial Instruments*, AASB 116 *Property, Plant and Equipment*, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and AASB 141 *Agriculture* as a consequence of the recent issuance by IASB of the following IFRS: *Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts - Cost of Fulfilling a Contract*.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the group in the financial year commencing 1 July 2022.

The directors of the group has not yet determined the likely impact of the initial application of this standard on its financial statements.

	<b>6 months ended 31 December 2020 \$</b>	<b>period from 27 June 2019 to 30 June 2020 \$</b>
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**NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue from contracts with customers		
Sale of goods	3,058,005	3,380,951
Rendering of services	3,235,648	7,079,830
	<b>6,293,653</b>	<b>10,460,781</b>

**NOTE 4: OPERATING PROFIT**

Profit / (losses) before income tax has been determined after:

Net gain on disposal of non-current assets:		
- Profit on sale of property, plant and equipment	7,641	250,008
Cost of sales		
- Purchases/Materials used	3,689,776	6,234,254
Finance costs	51,502	85,464
Depreciation		
- plant and equipment	284,836	547,030



**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>6 months ended 31 December 2020 \$</b>	<b>period from 27 June 2019 to 30 June 2020 \$</b>
<b>NOTE 4: OPERATING PROFIT (CONTINUED)</b>		
Amortisation of non-current assets		
- leased assets	61,369	125,081
- patents	<u>4,954</u>	<u>3,595</u>
	66,323	128,676
Foreign currency translation losses / (gains)	86,927	(42,635)
Employee benefits:		
- Short term benefits	996,592	1,543,556
- Superannuation guarantee contributions	115,835	157,257
- Other employee benefits	<u>(70,169)</u>	<u>127,470</u>
	1,042,258	1,828,283
Net loss on disposal of non-current assets		
- Loss on sale of property, plant and equipment	-	493
Remuneration of auditors for:		
<i>Pitcher Partners BA&amp;A Pty Ltd</i>		
Audit and assurance services		
- Audit or review of the financial report	12,000	20,000
Other non-audit services by related entities of Pitcher Partners BA&A Pty Ltd		
- Taxation services	<u>26,869</u>	<u>15,700</u>
	<u>38,869</u>	<u>35,700</u>
	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
<b>NOTE 5: RECEIVABLES</b>		
<b>CURRENT</b>		
Receivables from contracts with customers	1,469,382	653,256
Other receivables	<u>44,856</u>	<u>29,151</u>
	<u>1,514,238</u>	<u>682,407</u>

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
**ABN: 23 634 457 506**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
<b>NOTE 6: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	219,742	867
Accrued income	127,801	66,600
Prepaid borrowing expenses	7,217	7,217
Other current assets	<u>42,969</u>	<u>2,400</u>
	<u><u>397,729</u></u>	<u><u>77,084</u></u>

**NOTE 7: INTANGIBLE ASSETS**

Goodwill at cost	689,951	146,170
Patents and Design Costs	196,441	196,441
Accumulated amortisation and impairment	<u>(12,144)</u>	<u>(7,190)</u>
	<u>184,297</u>	<u>189,251</u>
Total intangible assets	<u><u>874,248</u></u>	<u><u>335,421</u></u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

*Goodwill at cost*

Opening balance	146,170	-
Additions through business combinations	<u>543,781</u>	<u>146,170</u>
Closing balance	<u><u>689,951</u></u>	<u><u>146,170</u></u>

*Patents and Design Costs*

Opening balance	189,251	-
Acquired as part of a common control transaction	-	77,756
Additions	-	115,090
Amortisation	<u>(6,976)</u>	<u>(3,595)</u>
Closing balance	<u><u>182,275</u></u>	<u><u>189,251</u></u>

Amortisation expense in relation to intangible assets has been recognised in depreciation and amortisation expenses within profit or loss.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 7: INTANGIBLE ASSETS (CONTINUED)**

**(b) Impairment tests for goodwill and intangible assets with indefinite useful lives**

The following intangibles have been assessed as having indefinite useful lives:

- Training services provider and associated training modules and materials
- Construction and associated installation services of explosives and dangerous goods storage facilities

These assets have been determined to have an indefinite useful lives as there is no foreseeable limit to the period over which the group expects the assets to continue to generate net cash inflows for the entity.

	<b>31 December</b>	
	<b>2020</b>	<b>30 June 2020</b>
Goodwill and intangibles with indefinite useful lives are allocated to the following cash generating units (CGU):	\$	\$
- Modular Training (training services provider)	146,170	146,170
- Maglok Australia (dangerous goods storage facility manufacturer/provider)	<u>543,781</u>	<u>-</u>
	<u>689,951</u>	<u>146,170</u>

The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of 5 years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average net growth rate of 1% for cash flows in year two to five, which is based on the historical average, a net terminal value growth rate of 1.0% and a discount rate of 10% to determine value-in-use.

No recoverable change in the key assumptions of the value in use calculations would result in an impairment.

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

**Plant and equipment**

Plant and equipment at cost	2,695,885	2,171,364
Accumulated depreciation	<u>(1,051,022)</u>	<u>(797,194)</u>
	1,644,863	1,374,170
Assets under construction	<u>128,040</u>	<u>-</u>
Total plant and equipment	<u>1,772,903</u>	<u>1,374,170</u>
Total property, plant and equipment	<u>1,772,903</u>	<u>1,374,170</u>

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>31 December</b>	<b>30 June 2020</b>
	<b>2020</b>	
	<b>\$</b>	<b>\$</b>

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**(a) Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

*Plant and equipment*

Opening carrying amount	1,374,170	-
Acquired as part of a common control transaction	-	1,447,285
Additions	622,669	666,373
Disposals	(214,690)	(293,913)
Additions through business combinations	147,550	45,455
Transfer from other capital assets	-	56,000
Depreciation expense	<u>(284,836)</u>	<u>(547,030)</u>
Closing carrying amount	<u><u>1,644,863</u></u>	<u><u>1,374,170</u></u>

*Assets under construction*

Opening carrying amount	-	-
Acquired as part of a common control transaction	-	56,000
Additions	128,040	-
Transfers to plant and equipment	<u>-</u>	<u>(56,000)</u>
Closing carrying amount	<u><u>128,040</u></u>	<u><u>-</u></u>

**(b) Property, plant and equipment pledged as security**

The group has pledged a number of its assets as security. Plant and equipment acquired under finance arrangements are secured via a registered GSA prescribed under their relevant agreement.

**NOTE 9: PAYABLES**

**CURRENT**

*Unsecured liabilities*

Trade creditors	385,284	63,735
Sundry creditors and accruals	<u>1,060,976</u>	<u>859,645</u>
	<u><u>1,446,260</u></u>	<u><u>923,380</u></u>

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	<b>31 December</b>	<b>30 June 2020</b>
	<b>2020</b>	<b>2020</b>
	\$	\$
<b>NOTE 10: BORROWINGS</b>		
<b>CURRENT</b>		
<i>Secured liabilities</i>		
Hire purchase liability	580,808	477,023
Unexpired term charges	<u>(45,492)</u>	<u>(42,980)</u>
	<u>535,316</u>	<u>434,043</u>
 <i>Secured liabilities</i>		
Bank loans	<u>99,996</u>	<u>-</u>
	<u>635,312</u>	<u>434,043</u>
 <b>NON CURRENT</b>		
<i>Secured liabilities</i>		
Bank loans	383,338	-
Hire purchase liability	887,927	694,156
Unexpired term charges	<u>(64,738)</u>	<u>(53,486)</u>
	<u>1,206,527</u>	<u>640,670</u>

**(a) Assets pledged as security**

Asset finance facilities bear fixed interest at prevailing market rates (ranging from 2-4%) and are primarily repayable over 1-4 years. Plant and equipment acquired under finance arrangements are secured via a registered GSA prescribed under their relevant agreement.

**NOTE 11: PROVISIONS**

<b>CURRENT</b>		
Employee benefits - annual and long service leave	<u>228,871</u>	<u>144,266</u>

**NOTE 12: BUSINESS COMBINATIONS**

On 2 October 2020, the group acquired 100% of the business assets of Maglok Australia, a manufacturer and supplier of storage solutions for energetic materials and dangerous goods.

The primary reason for the business combination was to vertically integrate the group's service offerings within the mining and resources industry, which it sees as synergistic to its existing offerings and aligned to management's prior experience and expertise.

Details of the purchase consideration are set out below:

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**31 December**  
**2020**  
**\$**

**NOTE 12: BUSINESS COMBINATIONS (CONTINUED)**

	\$
Consideration paid	700,000
Less working capital adjustments	<u>(10,001)</u>
Total purchase consideration	<u><u>689,999</u></u>

**Assets and liabilities acquired**

Assets and liabilities acquired as a result of the business combination were:

	<b>Recognised on</b>
	<b>acquisition at</b>
	<b>fair value</b>
	<b>\$</b>
Assets and liabilities held at acquisition date:	
- Inventories	32,120
- Plant and equipment	147,550
- Provisions	<u>(33,452)</u>
Net identifiable assets acquired	146,218
Add: Goodwill	<u>543,781</u>
Total purchase consideration	<u><u>689,999</u></u>

The goodwill on acquisition comprises the operational expertise and industry know-how relating to the Maglok Australia business, as a specialised and industry focused provider of innovative storage solutions for energetic materials and dangerous goods.

Goodwill is not deductible for tax purposes.

The following table provides a reconciliation of the opening and closing balances of goodwill for the reporting period.

	<b>Recognised on</b>
	<b>acquisition at</b>
	<b>fair value</b>
	<b>\$</b>
Gross amount	<u>146,170</u>
Opening carrying amount	146,170
Goodwill acquired during the period	<u>543,781</u>
Closing carrying amount	<u><u>689,951</u></u>

**Transaction costs**

Transaction costs incurred in relation to the acquisition are included within other expenses in the Consolidated statement of profit or loss and other comprehensive income.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 13: RELATED PARTY TRANSACTIONS**

**(a) Transactions with key management personnel**

During the period ended 31 December 2020, there were no material contracts entered into with key management personnel outside of their agreed compensation for services rendered in their capacity as employees.

**NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE**

Particulars of matters or circumstances that have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years are as follows:

On 18 March 2021, the shareholders of Aquirian Pty Ltd resolved that its 100,000 fully paid ordinary shares be split into 40,000,000 fully paid ordinary shares. Shareholders received 400 shares for each fully paid ordinary share held prior to the resolution being carried.

On 24 March 2021, a special resolution of the members of Aquirian Pty Ltd was proposed in order to change company type from a proprietary company limited by shares, to a public company limited by shares. This special resolution was passed by all members on 9 April 2021. Aquirian Pty Ltd was gazetted by the ASIC on 27 April 2021 and is expected to convert to a public company limited by shares with effect from 27 May 2021.

On 7 April 2021, the company submitted an In-Principle Advice to the Australian Securities Exchange ("ASX") in connection with its suitability for admission to the official list of ASX. A further In-Principle Advice was submitted on 30 April 2021 and the company is currently working towards an Initial Public Offering which is expected to take place in June/July 2021.

On 9 April 2021, Mr Bruce McFadzean and Ms Alexandra Atkins were appointed as Directors of Aquirian Pty Ltd.

**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 15: INTERESTS IN SUBSIDIARIES**

*(a) Subsidiaries*

The following are the group's significant subsidiaries:

<b>Subsidiaries of Aquirian Pty Ltd:</b>	<b>Country of incorporation</b>	<b>Ownership interest held by the group</b>	
		<b>31 Dec 2021 %</b>	<b>30 Jun 2020 %</b>
TBS Mining Solutions Pty Ltd	Australia	100	100
TBS Workforce Pty Ltd	Australia	100	100
Modular Training Pty Ltd	Australia	100	100
Swiftequip Solutions Pty Ltd	Australia	100	100

**NOTE 16: ENTITY DETAILS**

The registered office of the group is:

Aquirian Pty Ltd  
Level 11  
12-14 The Esplanade  
PERTH WA 6000

The principal place of business is:

Aquirian Pty Ltd  
Level 3  
190 St Georges Terrace  
PERTH WA 6000



**AQUIRIAN PTY LTD AND CONTROLLED ENTITIES**

**ABN: 23 634 457 506**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 7 - 22, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:   
\_\_\_\_\_  
David Kelly

Director:   
\_\_\_\_\_  
Gregory Patching

Dated this 18th day of May 2021

AQUIRIAN PTY LTD  
ABN 23 634 457 506

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AQUIRIAN PTY LTD

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Aquirian Pty Ltd (the "Company") and its controlled entity's (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Aquirian Pty Ltd does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Aquirian Pty Ltd financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

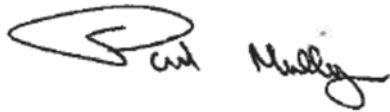
AQUIRIAN PTY LTD  
ABN 23 634 457 506

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF AQUIRIAN PTY LTD**

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 18 May 2021