

Quarterly Activities Report

For the period ending 31 March 2024

Highlights

- EBITDA² of \$0.7 million¹ up 10.5% on prior corresponding period (PCP).
- Revenue of \$5.2 million¹ down 7.6% on PCP.
- Positive Operating Cashflow of \$1.5 million¹.
- Cash and cash equivalents of \$4.9 million¹.
- Settlement of Wubin ammonium nitrate emulsion production facility completed.
- Settlement of the facility was fully debt-funded via NAB.
- Wubin facility restart is on track, with initial Emulsion batch trials completed.

Diversified mining services provider Aquirian Limited (**ASX: AQN**) ('Aquirian' or 'the Company') is pleased to report its quarterly activities for the three months to 31 March 2024.

Total revenue for the period was \$5,277,380¹, a 7.6% decrease, while EBITDA² increased 10.5% to \$732,905¹ compared to the prior corresponding period. The Company's balance sheet remains strong, with net assets of \$12.5 million¹.

Operating cash flow of \$1.5 million¹, was a 24.7% decrease from the previous quarter, with the Company's cash and cash equivalents of \$4.9 million¹, and total debt increasing by \$9.4 million associated with the Wubin facility acquisition, partially offset by existing debt reduction. Net debt is \$9.7 million¹.

The quarter was partly impacted by the strategic decision to reposition the Cybem mechanical workshop, lower underground fleet utilisation and non-restart expenses associated with the Wubin ammonium nitrate emulsion facility.

Managing Director - David Kelly commented:

"This was a significant quarter for Aquirian, a milestone for our business. Strategically, the acquisition is a key enabler of our technology and energetics strategy, bringing us closer to our customers and aligned to our approach to optimise the blast hole and blast outcomes.

It allows us to offer our customers and partners a more comprehensive range of high-quality products and services. The onsite team is active across the site with the facility restart progressing well."



Wubin Emulsion Plant

During the quarter the Company announced the successful and significant acquisition of the 160ktpa Wubin Ammonium Nitrate Facility from Hanwha for A\$9.6 million (ASX: AQN 27 March 2024 [Settlement of Ammonium Nitrate Emulsion Production Facility Complete](#)). With a replacement value of circa A\$18 million, the facility is fully debt-funded by NAB, demonstrating our strong financial stability and commitment to strategic growth.



This transformational acquisition will substantially enhance our earnings profile and play a pivotal role in our future growth objectives. It brings us closer to our customers and aligns with our technology and energetics strategy to optimise the blast hole and blast outcomes. Most importantly, it will create a unique opportunity to position our business for long-term growth, opening an exciting new pathway for Aquirian's future.

The Company currently has a small team on-site working towards the facility's re-start. So far, no significant unexpected issues have been encountered during the process, and progress is being made as planned. Initial small batch trial product has been produced successfully and performed well in blasting operations.

There has been significant interest in Wubin, with several customers attending the facility and expressing interest in toll manufacturing, product supply, and storage. Logistics providers are also considering opportunities to utilise some of the available land across the site.

Operational

Overall, the **Mining Services** division had a steady quarter. The products and technology team delivered a reasonable quarter, partly impacted by the timing of sales from products that were pulled forward into Q2 2024. The Collar Keeper® System continues to gain traction, with a new customer site implementation during the quarter, and engagement with multiple other customers to commence trials in this coming quarter throughout Western Australia.

The opencut rental fleet continued to be highly utilised. However, demand remained subdued across some of the underground rental fleet. The Company expects this reduced demand in underground fleet to continue throughout Q4 2024.

Energetics storage manufacturing continued to experience strong demand and has a solid order book for the Q4 2024.

Heavy equipment services continued to underperform. The Company continues to implement actions associated with the strategic review of the main workshop. The engineering workshop and the field service team operated as normal.

The **People Services** division performed consistently, with recruitment experiencing increased demand, particularly later in the quarter. Labour availability remains the biggest challenge to growth.

Training experienced steady demand for classroom and onsite services.

The management team has strategically reviewed the Company's business operations, and alignment with the company's technology and energetics strategy. During the fourth quarter of 2024, the company will continue to assess its business operations and capital allocations and expects, as a result, there may be a non-cash expense amounting to \$1.1 - \$1.3 million, related to the Cybem business, which will be reflected in the financials.

Corporate

The Company remains in a sound financial position with cash and cash equivalents of \$4.9 million¹.

Aquirian made operating activity payments of \$133,045 to related parties and their associates during the quarter. These payments relate to the remuneration agreement for the Managing Director, Executive Director, and Non-Executive Directors. In addition, the Company made investing activity payments of \$69,576 to related parties in line with the Executive Director's remuneration agreement concerning the development of the Collar Keeper® System.

-ENDS-

This announcement has been approved for release by the Managing Director of the Company.

¹ Unaudited financial results

² EBITDA refers to earnings before interest, taxation, depreciation, and amortisation costs.

Investor Enquiries

David Kelly
Aquirian Limited
david.kelly@aquirian.com
+61 8 6370 5400

Stephen Moloney
Corporate Storytime
stephen@corporatestorytime.com
+61 (0)403 222 052

About Aquirian

Aquirian is an emerging specialist mining services company providing people, equipment and innovative products that support mining clients across their operations.

The Company has a strong national and international presence with reputable, in-house capabilities and, through its extensive, in-depth relationships built up over many years of working in mining services locally and globally, it has attracted and maintained a long-term, tier-one client base. It provides specialised **People Services** (training, labour, recruitment), and **Mining Services** (equipment leasing, maintenance & repair, engineering services, drill and blast products and onsite field services) to the mining and resources, and civil and defence sectors in Australia and internationally.

Appendix 4C

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

Name of entity

AQUIRIAN LIMITED

ABN

634 457 506

Quarter ended ("current quarter")

31 March 2024

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	6,004	21,631
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,235)	(8,461)
(c) advertising and marketing	(15)	(41)
(d) leased assets	(112)	(309)
(e) staff costs	(1,680)	(6,292)
(f) administration and corporate costs	(461)	(1,419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	13
1.5 Interest and other costs of finance paid	(72)	(275)
1.6 Income taxes paid	64	64
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,505	4,911

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(10,618)	(11,832)
	(d) investments	-	-
	(e) intellectual property	(196)	(695)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	338	1,303
	(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	(10,476)	(11,224)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	10,000	10,000
3.6	Repayment of borrowings	(636)	(2,158)
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	9,364	7,842

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,458	3,322
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,505	4,911
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,476)	(11,224)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,364	7,842
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,851	4,851

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	4,851	4,458
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)	4,851	4,458

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	133
6.2	Aggregate amount of payments to related parties and their associates included in item 2	70

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.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	10,608	4,887
7.2		
7.3		
7.4	Total financing facilities	4,887
7.5	Unused financing facilities available at quarter end	5,721
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.	
	<p>Loan Facilities</p> <ol style="list-style-type: none"> 1. A finance facility of \$7.75 million is held with the National Australia Bank and relates to equipment financing at various terms and rates. Terms range up to 60 months and interest rates range from 2.6% - 6.8%. The facility is secured via a registered GSA over the equipment purchased under their relevant agreements, and additionally the Aquirian Group (Group) provides a general security agreement in respect to the Group's existing and future assets. 2. A long-term bank loan with the National Australia Bank as part of the acquisition of the Maglok Australia business. The loan bears a floating interest rate in line with the business lending rate, plus a margin of 2.15%. The loan is secured by a GSA over the Group's existing and future assets. The loan is repayable in quarterly instalments until it's expiry in October 2025. 3. A long-term bank loan with the National Australia Bank for the acquisition of the Cybem Mechanical Services business. The loan bears a floating interest rate in line with the business lending rate, plus a margin of 2.15%. The loan is secured by a GSA over the Group's existing and future assets. The loan is repayable in quarterly instalments until it's expiry in April 2027 4. A long-term bank loan with the National Australia Bank for the acquisition of the Wubin Ammonium Nitrate Emulsion Facility. The loan bears a floating interest rate in line with the business lending rate, plus a margin of 2.93%. The loan is secured by a GSA over the Group's existing and future assets. The loan is repayable in monthly instalments commencing in September 2024 until it's expiry in August 2031. 5. A finance facility of \$0.75 million is held with Toyota Finance Australia and relates to equipment financing at various terms and rates. Terms range up to 60 months. The facility is currently being used for two operating leases. The individual financing agreements are secured against the assets being financed. 	
8. Estimated cash available for future operating activities	\$A'000	
8.1	1,505	
8.2	4,851	
8.3	5,721	
8.4	Total available funding (item 8.2 + item 8.3)	
	10,572	

8.5 **Estimated quarters of funding available (item 8.4 divided by item 8.1)**

N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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:29th April 2024.....

Authorised by:By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – 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

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

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.