

## Quarterly Activities Report – June 2022

### Q4 and FY22 Highlights

- Strong Q4 (and FY22) performance and a solid year-end balance sheet position, with cash and cash equivalents of **\$7.99 million<sup>1</sup>**, maintaining the Company's Net Cash position
- Q4 Revenue of **\$7 million<sup>1</sup> up 102%** on PCP and **up 137%** on Q3
- Q4 EBITDA of almost **\$1 million<sup>1</sup> up 102%** on PCP and **up 152%** on Q3
- FY22 Revenue of **\$17.65 million<sup>1</sup> YTD up 38%** on FY21
- FY22 EBITDA<sup>2</sup> of **\$2.75 million<sup>1</sup> YTD up 57%** FY21
- Cybem Services acquisition completed on 31 May 2022
- Collar Keeper® System commercialisation continued in Western Australia (WA) and first systems were deployed in Zambia during the quarter
- Aquirian achieves 12 months as a listed company on the ASX and successfully completes all key deliverables outlined in the Company's Prospectus within first year of listing
- The Company provides guidance of full year FY23 Revenue to be between \$26-\$28 million<sup>3</sup>

Diversified mining services provider Aquirian Limited (**ASX: AQN**) ('Aquirian' or 'the Company') is pleased to report on its quarterly activities for the three months to 30 June 2022.

The Company generated \$7,052,526<sup>1</sup> of total revenue during the quarter, an increase of 102% on the prior corresponding period and a 137.7% increase on the last quarter. EBITDA<sup>2</sup> was \$949,144<sup>1</sup>, an increase of 102.7% on the prior corresponding period and a 152.3% increase on the last quarter. The Company's balance sheet remains strong with net assets of \$11.08 million<sup>1</sup>, and positive cashflow generation of \$919,000<sup>1</sup> from operating activities during Q4.

Revenue for the FY22 year to date of \$17,649,094<sup>1</sup> is up 38.5% on the prior corresponding period. EBITDA<sup>2</sup> for the FY22 year to date of \$2,746,251<sup>1</sup> is up 57.6% on the prior corresponding period. Excluding the benefit of Cybem Services, the Company had underlying FY22 Revenue of \$15,529,695<sup>1</sup>, which is above the Company's provided guidance and underlying EBITDA<sup>2</sup> of \$2,945,753<sup>1</sup> before acquisition costs.

The Company completed the acquisition of Cybem during the quarter, as previously announced ([See announcement dated 31st May 2022](#)). The completion of this exciting

<sup>1</sup> Unaudited financial results

<sup>2</sup> EBITDA refers to earnings before interest, taxation, depreciation and amortisation costs

<sup>3</sup> Subject to the impacts of the current global macroeconomic factors on the economy and market



acquisition represents a significant step in realising Aquirian's strategy of becoming a leading provider of equipment and associated services, while strengthening its customer offering. The Company once again warmly welcomes the Cybem employees to the Group.

The quarterly financial performance was underpinned by a strong performance from Collar Keeper® product sales and a resurgent People Services division which saw strong growth across both TBS Workforce and Modular Training business units.

Commenting on the Company's performance, Aquirian Managing Director, David Kelly said: "We are really pleased with the quarter and our full year performance as a listed company, demonstrating the capability of our team and resilience of our diversified business," he said.

"Our Collar Keeper® System launched in April with sites in WA and Zambia along with commencement of system mechanisation. We also successfully completed the acquisition of Cybem which strengthens the Group's maintenance capabilities, expands service offerings to existing customers and broadens our customer base."

## **Operations**

The Mining Services Division again delivered a steady quarter across the Underground rental fleet, with several assets added to the ancillary Open-cut fleet which aligns with client needs.

MagLok continues to have solid demand for its products nationally with a strong order book looking forward. The expanded premises and tooling completed this year has built capacity for differentiated offerings to the Company's expanding client base.

The Collar Keeper® System was launched during Q4 after COVID-19 protocols impacted anticipated volumes. Pleasingly, the System was adapted onto five drill rigs in WA and Zambia with growth profiles to accelerate in 2023.

The Engineering team also commenced Phase II (Mechanisation) of the Collar Keeper® System in Q4 as part of the Company's Technology Pathway. This Phase will allow clients' drilling crews to remain 'in-cab' throughout the drill shift, further improving efficiencies, hole quality and safety.

The People Services Division saw strong growth in Specialist resourcing provided to Aquirian's customers through the TBS Workforce business unit. The team has delivered exceptional service which has resulted in both an increase in resourcing personnel and client base for the business.

Modular Training continued to grow with increased uptake across the board. Additional training competency to the existing scope has application to broader mining personnel. As part of Modular's integrated learning strategy, services include Specialist field personnel to improve Chain of Custody in training at customer sites. These resources provide an 'end-to-end' process for customers to accelerate learning and capability of their teams.

## **Outlook**

The Company's outlook for FY23 is positive. Despite the macroeconomic factors that are currently impacting all sectors of the economy and market sentiment generally, the Company

believes that the fundamentals driving demand for its varied services and multiple business units remain strong.

Over the past 12 months, the Group has laid a solid foundation for growth across its business divisions which, when coupled with the continued commercialisation of the Collar Keeper® System in FY23 and beyond, is expected to generate increasing revenue and margin over the medium to long term.

While there continues to be uncertainty in the market, the Company expects full year FY23 revenue to be between \$26-28<sup>3</sup> million.

## Corporate

The Company continues to be in a strong financial position with cash and cash equivalents of \$7.99 million<sup>1</sup>.

Aquirian made operating activity payments of \$102,000 to related parties and their associates. 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 \$90,000 to related parties, being payments related to the remuneration agreement for the Executive Director in relation to the development of the Collar Keeper® System.

Pursuant to ASX listing rule 4.7C.2, the Company advises the proposed use of funds contained in section 1.7 of the Company's Prospectus in comparison to the actual use of funds following admission of the Company to the official list of the ASX.

Use of Funds	Prospectus	Actual to Date
Accelerate development and commercialisation of the Collar Keeper® System	\$2,450,000	\$959,377
Underground fleet expansion	\$2,450,000	\$2,128,195
Expand MagLok Australia manufacturing capability	\$500,000	\$254,977
Working Capital / Corporate Overheads	\$1,770,000	\$0.00
Cost of the Offer	\$830,000	\$862,579
<b>Total</b>	<b>A\$8,000,000</b>	<b>A\$4,205,128</b>

The Company confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statements, and the key business objectives underlying the expected use of funds remains intact.

-ENDS-

This announcement has been approved for release by the Board of the Company

---

<sup>3</sup> Subject to the impacts of the current global macroeconomic factors on the economy and market

**Investor Enquiries**

David Kelly  
Aquirian Limited  
[david.kelly@aquirian.com](mailto:david.kelly@aquirian.com)  
+61 8 6370 5400

**Media Enquiries**

Russell Quinn  
Citadel-MAGNUS  
[rquinn@citadelmagnus.com](mailto:rquinn@citadelmagnus.com)  
+61 (0)403 322 097

**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) under the **Modular Training** and **TBS Workforce** brands, and Mining Services (equipment leasing, maintenance & repair, engineering services, drill and blast products and onsite field services) under the **Cybem Services**, **TBS Mining Solutions** and **MagLok** brands 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")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,459	17,624
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,055)	(7,990)
(c) advertising and marketing	(11)	(97)
(d) leased assets	(103)	(220)
(e) staff costs	(2,502)	(5,165)
(f) administration and corporate costs	(797)	(1,705)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	7
1.5 Interest and other costs of finance paid	(45)	(120)
1.6 Income taxes paid	(30)	(450)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>919</b>	<b>1,884</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(2,914)	(2,914)
	(c) property, plant and equipment	(551)	(2,411)
	(d) investments	-	-
	(e) intellectual property	(275)	(793)
	(f) other non-current assets	(205)	(205)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	9	258
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,936)</b>	<b>(6,065)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	8,000
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	-	(389)
3.5	Proceeds from borrowings	3,281	4,214
3.6	Repayment of borrowings	(332)	(1,325)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2949</b>	<b>10,500</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,061	1,674
4.2	Net cash from / (used in) operating activities (item 1.9 above)	919	1,884
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,936)	(6065)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,949	10,500
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,993</b>	<b>7,993</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7,243	5,811
5.2	Call deposits	750	2,250
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,993</b>	<b>8,061</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	102
6.2	Aggregate amount of payments to related parties and their associates included in item 2	90

*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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	10,833	6,243
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	10,833	6,243
7.5	<b>Unused financing facilities available at quarter end</b>		4,590
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.		
	Loan Facilities <ol style="list-style-type: none"> <li>1. A finance facility of \$7.5 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% - 6.1%. 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.</li> <li>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.</li> <li>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</li> </ol>		
<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>	
8.1	Net cash from / (used in) operating activities (item 1.9)	919	
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,993	
8.3	Unused finance facilities available at quarter end (item 7.5)	4,590	
8.4	Total available funding (item 8.2 + item 8.3)	12,583	
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A	
	<i>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.</i>		
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: .....28 July 2022.....

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 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.