

Quarterly Activities Report

For the period ending 30th June 2023

Highlights

- Revenue of **\$6.8 million¹**, up **21%** on the last quarter
- EBITDA of **\$1.1 million¹** up **59%** on the last quarter
- FY23 Revenue of **\$26.3 million¹** YTD up 49% on FY22
- FY23 EBITDA² of **\$3.6 million¹** YTD up 30% FY22
- Revenue for **Mining Services** remained steady with continued demand for underground and open-cut rental fleets.
- Revenue for **People Services** was consistent, with training participation up 30%, with a strong pipeline for 1H FY24
- **Collar Keeper® System achieves 12 months continuous productive service**, with additional three rigs converted during the quarter – strong sales pipeline into Q1 FY24
- **Products and technology** produced a solid final quarter with new sales to customers in Saudi Arabia and Australia

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 2023.

Total revenue for the period was \$6,842,574,¹ a 21% increase on the last quarter and consistent with the prior corresponding period (PCP).

EBITDA² was \$1,056,529¹, a 59% increase on the last quarter and an increase of 11% on PCP. The Company's balance sheet remains strong, with net assets of \$11.95 million¹.

FY23 Revenue of \$26,318,033¹ up 49% on the prior corresponding period and within provided guidance. EBITDA² for the FY23 year of \$3,578,145¹ is up 30% on the previous corresponding period.

A strong performance from Collar Keeper® product sales, with new customers in Saudi Arabia and Australia, underpinned the quarterly financial performance. It was further strengthened by additional uptake of the Collar Keeper® System, with three more units deployed in Zambia and a robust pipeline for Q1 FY24.

¹ Unaudited financial results

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



Managing Director, David Kelly commented:

"I am delighted to report another solid financial Quarter, with sustained operating performances across our divisions. Mining Services experienced a slow start to the quarter but has progressed to operating levels in line with our expectations. At the same time, People Services continues to experience strong demand. Our development of new products and services are close to commercialisation and remains instrumental in our strategic growth of providing future-focused Mining solutions for our customers."

Operational

The **Mining Services** division delivered a steady quarter across the underground rental fleet, with increased demand versus the prior quarter finishing the year at 69% utilisation. The opencut rental fleet continued to have high utilisation above 90% throughout the year.

Maglok had a strong finish to the year and continues to have solid demand for its products nationally, with a strong order book looking forward into FY24.

Cybem Services had a significantly slower quarter, with rebuild work through the workshop slowing, particularly during May and June. Field Services demand remained solid; a shortage of highly skilled labour availability continues to impact growth in this area. A review of the business cost base is ongoing, with approximately \$ 600,000 of fixed annual costs removed to date.

Products and technology outperformed in the last quarter with increased sales of Collar Keeper® to existing and new significant customers, including into Saudi Arabia. An additional three rigs were converted in Zambia to finish the year with the Collar Keeper System on six rigs. The first rigs in Zambia have achieved over 12 months of continuous productive service. For Q1 FY24, the pipeline is looking strong, with purchase orders received for another three rigs in Australia and the first rig in Panama.

Factory acceptance testing of the Collar Keeper® System automated prototype for track rigs unit was completed during the quarter, with upgrades currently being fabricated and onsite field testing scheduled to commence in Q1 FY24.

Design of the Collar Keeper® System for platform rigs has re-commenced with drawings and technical information received late in the quarter from the manufacturer, Epiroc (OEM). This development continues to be supported by First Quantum Minerals (TSX: FM), with drawdowns of further funds under our technology funding and rental agreement (announced on the 9th November 2022) expected to occur in Q1 FY24.

The **People Services** division performed well, with TBS Workforce and Primed Professionals experiencing solid demand throughout the year. Labour availability remains the biggest challenge to growth for these businesses.

Modular Training continued to experience strong demand, with a 30% increase in-classroom participation. Onsite services remain strong with further demand through to mid-FY24.

Corporate

The Company remains in a sound financial position with cash and cash equivalents of \$3.3 million¹.

Aquirian made operating activity payments of \$124,094 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 \$74,637 to related parties in relation to the Executive Director's remuneration agreement concerning 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 the 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	\$2,210,338
Underground fleet expansion	\$2,450,000	\$5,136,219
Expand MagLok Australia's manufacturing capability	\$500,000	\$386,487
Working Capital / Corporate Overheads	\$1,770,000	\$0.00
Cost of the Offer	\$830,000	\$862,579
Total	A\$8,000,000	A\$8,595,623

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

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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**, **TBS Workforce** and **Primed Professionals** brands, and Mining Services (equipment leasing, maintenance & repair, engineering services, drill and blast products and onsite field services) under the **Collar Keeper®**, **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 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,294	26,174
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,973)	(13,921)
(c) advertising and marketing	(12)	(71)
(d) leased assets	(120)	(440)
(e) staff costs	(2,461)	(9,695)
(f) administration and corporate costs	(371)	(2,041)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(81)	(226)
1.6 Income taxes paid	0	597
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(723)	383

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(670)	(4,412)
	(d) investments	-	-
	(e) intellectual property	(160)	(1,364)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	14	98
	(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	(816)	(5,678)

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	0	2,811
3.6	Repayment of borrowings	(598)	(2,187)
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	(598)	624

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,459	7,993
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(723)	383
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(816)	(5,678)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(598)	624
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,322	3,322

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	3,322	5,459
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)	3,322	5,459

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	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	75

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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	10,133	7,156
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	10,133	7,156
7.5	Unused financing facilities available at quarter end		2,977
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 \$7.5 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% - 6.8%. 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 		
8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(723)	
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,322	
8.3	Unused finance facilities available at quarter end (item 7.5)	2,977	
8.4	Total available funding (item 8.2 + item 8.3)	6,299	
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.7	
	<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:31st July 2023.....

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.