

## Quarterly Activities Report

For the period ending 30 September 2023

### Quarterly Highlights

- Revenue of **\$6.1 million**<sup>1</sup>
- Operating cash flow of **\$1.4 million**
- EBITDA of **\$0.53 million**<sup>1</sup>
- Net Debt reduced by **\$0.7 million**, with **net assets of \$11.8m**
- Collar Keeper® System deployed on three new rigs in Northern Territory
- 9ha property acquired in Wubin adjacent to the facility to support the recently announced Wubin Emulsion Plant Acquisition

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 September 2023.

Total revenue of \$6,096,924<sup>1</sup> was 11% lower than the prior corresponding period. EBITDA<sup>2</sup> of \$528,690<sup>1</sup> was lower on the prior corresponding period.

The Company's balance sheet remains strong, with net assets of \$11.8 million<sup>1</sup>, while operating cash flow increased to \$1.4 million<sup>1</sup>, a significant improvement on the last quarter, and the Company's cash holdings increased by \$0.1 million and net debt reduced by \$0.7 million.

The quarter was impacted mainly by the strategic decision to reposition the Cyber mechanical workshop and establish the appropriate structure for the Wubin acquisition.

The Collar Keeper® System was deployed on three rigs with Core Lithium Limited (ASX: CXO) in the Northern Territory with a continuance after a successful 12-week trial. The trial demonstrated significant reductions in re-drills and the removal of single-use PVC collar pipes.

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<sup>1</sup> Unaudited financial results

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



**Managing Director David Kelly** commented:

*"I am excited by our recent announcement to acquire the Wubin AN Emulsion facility from Hanwha, as this is a unique opportunity that enhances our product and service offering for customers. It has been a lengthy process, and we are confident our knowledge of the asset and experience in the industry enables us to generate the synergies and strategic benefits for our customers, business, and shareholders."*

## Operational

The company recently announced the acquisition of the Wubin Emulsion Facility (**Western Energetics**) ([Announcement 19/10/23](#)). This has been an ongoing process, with due diligence and terms of the acquisition taking over 12 months to complete. The company also acquired a 9ha property adjacent to the Wubin emulsion plant for \$0.42 million. The company paid cash for this property, which provides the Company with opportunities to expand the Wubin facility to support all future growth. The property contains accommodation, multiple storage options and an airstrip.

The **Mining Services** division delivered a steady quarter, with solid demand experienced across our businesses. The underground rental fleet had a utilisation rate of 79%, up 10% from the last quarter, while the opencut rental fleet continued to operate above expectations with a high 90% utilisation. Specialised product supplier Maglok continues to experience strong demand for its products nationally, with significant new orders received during the quarter.

Cybem Services underperformed. The company made a strategic decision to reposition the mechanical workshop from servicing external customers and focus on the Company's fleet to reduce internal costs and the use of third-party maintenance providers. The engineering workshop and the field service team continue to operate normally, with the Company looking to expand on these services.

Products and technology had a steady quarter, with three new rigs fitted with the Collar Keeper® System with multiple customer trials to commence in the coming quarters.



Fig1. 2 x Epiroc T45's with Collar Keeper ® System installed.

The **People Services** division continues to perform well and support our drill and blast operations. Labour availability remains the biggest challenge to growth for these businesses.

Modular Training continues to experience high demand for classroom and onsite services, reflected in increased enrolments.

## Corporate

The Company remains in a sound financial position with cash and cash equivalents of \$3.42 million<sup>1</sup>.

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.

-ENDS-

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

### Investor Enquiries

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

Stephen Moloney  
Corporate Storytime  
[stephen@corporatestorytime.com](mailto: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) 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 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,376	8,376
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,796)	(4,796)
(c) advertising and marketing	(13)	(13)
(d) leased assets	(100)	(100)
(e) staff costs	(1,451)	(1,451)
(f) administration and corporate costs	(497)	(497)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(110)	(110)
1.6 Income taxes paid	-	-
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>1,409</b>	<b>1,409</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(415)	(415)
	(d) investments	-	-
	(e) intellectual property	(282)	(282)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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>(697)</b>	<b>(697)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
3.6	Repayment of borrowings	(609)	(609)
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>(609)</b>	<b>(609)</b>

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

<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	3,322	3,322
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,409	1,409
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(697)	(697)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(609)	(609)
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>3,425</b>	<b>3,425</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	3,425	3,322
5.2	Call deposits		
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>3,425</b>	<b>3,322</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	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	74

*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. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	9,958	6,492
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>9,958</b>	<b>6,492</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>3,466</b>
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"> <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% - 6.8%. 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.</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. Estimated cash available for future operating activities</b>	<b>\$A'000</b>	
8.1 Net cash from / (used in) operating activities (item 1.9)	1,409	
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,425	
8.3 Unused finance facilities available at quarter end (item 7.5)	3,466	
8.4 Total available funding (item 8.2 + item 8.3)	6,891	
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>	
<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: .....31<sup>st</sup> October 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.