

## Quarterly Activities Report – March 2022

### Q3FY22 Highlights

- Solid Q3FY22 balance sheet position, with cash and cash equivalents of \$8.06 million<sup>1</sup>
- EBITDA<sup>2</sup> of \$1,797,107<sup>1</sup> YTD up 41.1% on the prior corresponding period
- Collar Keeper® System commercialisation commenced in Western Australia (WA) with extended trial underway in WA's Northern Goldfields
- Maglok new facility delivering on expected benefits

Mining services provider Aquirian Limited (**ASX: AQN**) ('**Aquirian**' or the '**Company**') is pleased to report on its quarterly activities for the three months to 31 March 2022.

The Company generated \$2,967,605<sup>1</sup> of total revenue during the quarter, an increase of 6.3% on the prior corresponding period and a 19.9% decrease on the last quarter. EBITDA<sup>2</sup> was \$376,244<sup>1</sup>, an increase of 58.8% on the prior corresponding period and a 50.7% decrease on the last quarter. The Company's balance sheet remains strong with net assets of \$10.84 million<sup>1</sup>, with positive cashflow generation of \$632,540<sup>1</sup> from operating activities during the quarter. EBITDA<sup>2</sup> for the FY22 year to date of \$1,797,107<sup>1</sup> is up 41.1% on the prior corresponding period.

The quarterly financial performance was underpinned by the Company's Mining Services Division, with strong performance from the MagLok business partially offsetting the predicted lower revenues associated with mining equipment off-hire late in Q2 flowing into Q3 for maintenance turnaround. The WA border closure and uncertainty of a clear opening date for the State at the beginning of the quarter, continued to impact the People Services Division, specifically on TBS Workforce.

Commenting on the quarter, Aquirian Managing Director, David Kelly said: "We are pleased with the quarter's performance and the overall strength of our diversified business. We commenced commercialisation of our Collar Keeper® System this quarter as forecasted, and the new facilities for MagLok are delivering positive benefits as expected. The broader business is continuing to show resilience in a challenging market, particularly on the labour front. We remain positive on achieving our FY22 financial targets"

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<sup>1</sup> Unaudited financial results

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



## Operations

The Mining Services Division delivered a sound quarter despite forecasted maintenance turnarounds on its UG fleet, which has largely returned to service in March. Extensive work on finalising the Collar Keeper® System for commercialisation was undertaken by the team during the quarter. Most pleasingly, the Company's wholly-owned subsidiary **TBS Mining Solutions Pty Ltd (TBS)** commenced commercialisation of its revolutionary system during the quarter, as previously announced ([See announcement dated 19 April 2022](#)).

TBS is onsite in the Northern Goldfields with sixty percent (60%) of the mine site's Epiroc T45 drill rigs converted for an extended commercial trial. While the ongoing COVID-19 outbreak in WA delayed access to site, Greg Patching, Executive Director Business Development, and Innovation, said: "We are thrilled to be finally in the field commencing the transition onto the Collar Keeper® System for our customers. This marks a major milestone for the development and commercialisation of the system."

TBS has also received strong interest from several overseas mining companies and received its first orders for a commercial trial to commence in Zambia in mid-late May 2022.

MagLok's larger manufacturing facilities in South Australia is delivering the expected benefits of improved safety and efficiency across operations. MagLok continues to have solid demand for its products and a number of new products are under development.

With the opening of the Western Australian borders, the People Services Division, and TBS Workforce in particular, is beginning to see an increased talent pool although the market is still very tight. The Company has continued to focus on delivering exceptional service to clients and working with the market to navigate through the current challenges.

Modular Training continued to expand its offering through the quarter with growth in onsite-based training courses and resourcing on customer sites. These services offerings are expected to continue along with an additional training unit added to Modular's scope for the industry.

## Outlook

With the re-opening of the Western Australian borders, the Company expects to see continued improvement in the People Services Division, in particular, in TBS Workforce. Whilst any significant COVID-19 outbreak could impact on Modular Training's ability to deliver its site-based programs, its remote online course services will continue.

Continued commercialisation of the Collar Keeper® System in Q4 is expected to generate increasing revenue and margin with forecasted commitment for implementation onto 12-15 rigs by financial year end.

Aquirian maintains its full year FY22 revenue forecast to be between \$14.5-15.3<sup>3</sup> million, up from \$12.7 million in FY21.

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<sup>3</sup> Subject to the impacts of the COVID-19 outbreak in Western Australia and timing of the border opening



## Corporate

The Company continues to be in a strong financial position with cash and cash equivalents of \$8.06 million<sup>1</sup>.

Aquirian made operating activity payments of \$103,000 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 A\$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.

Aquirian Group continues to look for accretive M&A opportunities as outlined in the July 2021 prospectus.

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	\$620,364
Underground fleet expansion	\$2,450,000	\$1,814,235
Expand MagLok Australia manufacturing capability	\$500,000	\$253,671
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\$3,550,849</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

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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** and **TBS Workforce** brands, and Mining Services (equipment leasing, drill and blast products) under the **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")**

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,661	11,165
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,843)	(5,934)
(c) advertising and marketing	(27)	(86)
(d) leased assets	(55)	(117)
(e) staff costs	(799)	(2,664)
(f) administration and corporate costs	(220)	(908)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	(25)	(75)
1.6 Income taxes paid	(63)	(421)
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>632</b>	<b>965</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	(588)	(1,860)
	(d) investments	-	-
	(e) intellectual property	(210)	(518)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	103	249
	(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>(695)</b>	<b>(2,129)</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	933	933
3.6	Repayment of borrowings	(291)	(993)
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>642</b>	<b>7,551</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	7,482	1,674
4.2	Net cash from / (used in) operating activities (item 1.9 above)	632	965
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(695)	(2,129)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	642	7,551
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>8,061</b>	<b>8,061</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	5,811	5,232
5.2	Call deposits	2,250	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>8,061</b>	<b>7,482</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	103
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. 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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	5,358	3,287
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>5,358</b>	<b>3,287</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>2,071</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 \$5.0 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% - 5.8%. 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 2.5%. The loan is secured by a GSA over the Group's existing and future assets. The loan is repayable in monthly instalments until it's expiry in October 2025.</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)		632
8.2 Cash and cash equivalents at quarter end (item 4.6)		8,061
8.3 Unused finance facilities available at quarter end (item 7.5)		2,071
8.4 Total available funding (item 8.2 + item 8.3)		10,132
<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: .....27 April 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.