

Aquirian Limited

ABN 23 634 457 506

Half Year Financial Report and Appendix 4D

31 December 2021

Results for Announcement to the Market

In accordance with the Listing Rules, Aquirian Limited encloses for immediate release the following information:

1. Appendix 4D
2. Audited Financial Statements for the half year ended 31 December 2021

Aquirian Limited
Appendix 4D**1. Company details**

Name of entity:	Aquirian Limited
ABN:	23 634 457 506
Current period:	For the half year ended 31 December 2021
Previous period:	For the half year ended 31 December 2020

2. Results for announcement to the market

Results				\$
Revenues from ordinary activities	Up	19.1%	to	7,497,299
EBITDA ¹ from ordinary activities ²	Up	17.0%	to	1,420,860
Profit from ordinary activities after tax attributable to the members of Aquirian Limited ²	Down	18.7%	to	488,353
Profit for the half year attributable to the members of Aquirian Limited ²	Down	18.7%	to	488,353

3. Commentary on results

Refer to the Directors' Report.

4. Details relating to dividends

No dividends have been declared during or subsequent to the half financial year, and the Company does not have a dividend reinvestment plan.

The Company confirms that it expects to utilise the funds raised under its prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

¹ EBITDA refers to earnings before interest costs, taxation, depreciation, and amortisation costs as set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Audited Accounts, based on inputs calculated in accordance with Australian Accounting Standards and reviewed by the Group's auditors.

² Half year ended 31 December 2021 includes share-based payments expense of \$320,732 pre-tax, refer note 17 in the accompanying 31 December 2021 Half Year Financial Report. Half year ended 31 December 2020; \$Nil.

5. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	12.02	3.73

6. Control gained over entities

Not applicable.

7. Loss of control over entities

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Statement of compliance to audit

This report is based on accounts to which one of the following applies:			
The accounts have been audited		The accounts have been subject to review	X
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A



Victor Goh
Company Secretary

Dated at Perth this 23rd day of February 2022

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.

AQUIRIAN LIMITED
ABN: 23 634 457 506
AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2021

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE HALF YEAR ENDED
31 DECEMBER 2021

TABLE OF CONTENTS

	Page
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	6
Financial Report for the half year ended 31 December 2021	
Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	27
Independent Auditor's Report	28

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
CORPORATE DIRECTORY
31 December 2021

Directors	Bruce McFadzean (appointed 9 April 2021) Alexandra Atkins (appointed 9 April 2021) David Kelly (appointed 27 June 2019) Gregory Patching (appointed 27 June 2019)
Company Secretary	Victor Goh C/- Small Cap Corporate Pty Ltd Suite 1 295 Rokeby Road Subiaco WA 6008
Registered Office	Level 3 190 St Georges Terrace Perth WA 6000
Share register	Automic Group Level 2 267 St Georges Terrace Perth WA 6000
Auditors	Pitcher Partners BA&A Pty Ltd Level 11 12-14 The Esplanade Perth WA 6000
Legal Advisers	Grondal Bruining Pty Ltd Level 5 22 Delhi Street West Perth WA 6005
Website	https://www.aquirian.com/
Corporate Governance Statement	A copy of the Corporate Governance statement can be found at https://www.aquirian.com/

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial report of the consolidated entity consisting of Aquirian Limited and the entities it controlled ("the Group"), for the half year ended 31 December 2021 and auditor's report thereon.

Directors

The names of Directors in office at any time during or since the end of the half year are:

Bruce McFadzean – Non-Executive Chairperson
Alexandra Atkins – Non-Executive Director
David Kelly – Managing Director
Gregory Patching – Executive Director

The Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

Principal activities

The principal activities of the Group during the half year were the provision of equipment, workforce, innovative products and training solutions to the mining and resources industry.

Review of operations

The Group remains focused on the safety and wellbeing of its employees, ESG, quality service provision, and providing real solutions to customers. The ongoing development (and intellectual property (IP) protection) of the Collar Keeper® and the Collar Keeper® System technology and innovation remains central to providing clients with 'end-to-end' total quality assurance in blast hole drilling.

Significant progress on the development and commercialisation pathway for the Collar Keeper® System was achieved with final testing completed. The Maglok relocation to new South Australian premises was also finalised. The broader business performed strongly showing resilience in a challenging market, particularly on the labour front.

Results

The Group's consolidated profit after providing for income tax was \$488,353 (31 December 2020: \$600,717) down 18.7%. This included share based payments expenses of \$320,732 pre-tax (31 December 2020: \$Nil).

Revenue from ordinary activities for the half year ended 31 December was \$7,497,299 (31 December 2020: \$6,293,653) up 19.1%. The increase is primarily related to the Mining Services Division.

The Group generated positive cash from operating activities for the half year of \$395,423 (31 December 2020: \$436,681). Cash and cash equivalents as at 31 December 2021 was \$7,481,854 (30 June 2021; \$1,673,655). Primary increase in cash and cash equivalents are the net proceeds of the initial public offering on the 27 July 2021 of \$7,611,328.

The table below provides a comparison of key results for the half year ended 31 December 2021 to the preceding year:

AQUIRIAN LIMITED AND CONTROLLED ENTITIES**ABN: 23 634 457 506**

Statement of Profit and Loss	31 December 2021	31 December 2020
	\$	\$
Revenue from ordinary activities	7,497,299	6,293,653
Consolidated profit after providing for income tax	488,353 ¹	600,717
EBITDA ²	1,420,860 ¹	1,214,441

¹ Includes share-based payments expense of \$320,732 pre-tax (31 December 2020; \$Nil). Refer note 17 in the Financial Report.

² EBITDA refers to earnings before interest costs, taxation, depreciation, and amortisation costs as set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of the audited accounts, based on inputs calculated in accordance with Australian Accounting Standards.

Statement of Financial Position	31 December 2021	30 June 2021
	\$	\$
Net Assets	10,836,040	2,415,627
Cash and cash equivalents	7,481,854	1,673,655
Borrowings	2,692,371	2,872,208
Net cash / (debt)	4,789,483	(1,198,553)
Share Capital	7,611,428	100

Significant changes in the state of affairs

On 27 July 2021, Aquirian Limited listed on the Australian Securities Exchange (ASX). The financial statements reflect the continuing business of the Group.

There were no other significant changes in the state of affairs of the Group during the financial half year, other than those referred to elsewhere in the report.

Subsequent events

Performance rights approved for issue by shareholders of Aquirian Limited at the most recent Annual General Meeting held on 25 November 2021 were issued subsequent to half year end on the 10 February 2022. 1,537,445 performance rights were issued to Directors and a further 1,212,446 performance rights were issued to executives of the Group in accordance with the Employee Share Incentive Plan (ESIP) approved by shareholders. The performance rights are issued at the maximum potential entitlement. The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024. Refer to note 17 in the financial accounts

Other than as outlined above, no other matters or circumstances have arisen since 31 December 2021 that has materially affected, or may materially affect the Group's operations, the results of those operations, or its state of affairs in future financial years.

Likely developments

As the Group develops its technology, grows its equipment fleet, and expands its manufacturing capacity, in line with the proposed use of funds statement included in its prospects, the Group expects to grow its customer base in Australia and internationally.

With final testing of the Collar Keeper® System completed, the initial phase of the product will be ready for commercialisation within this financial year.

There is presently sound growth opportunities across the Group. It is expected that the Group will continue to build its relationships with customers and suppliers and ensure it has access to the appropriate capacity and capability to capitalise on new opportunities as they arise.

Environmental regulation

The Group's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Dividends

No dividends were paid, recommended, or declared since the start of the half year (31 December 2020: \$NIL).

Share options and performance rights granted to Directors

Options over unissued ordinary shares granted by Aquirian Limited during the half year, including options granted to Directors of the Group (other than the Directors), were as follows:

Directors	Options granted	Performance Rights *
Bruce McFadzean	550,000	-
David Kelly	-	862,849
Gregory Patching	-	674,596
Alexandra Atkins	450,000	-

* The above performance rights were approved for issue by shareholders of Aquirian Limited at the most recent Annual General Meeting held on 25 November 2021. These instruments were issued subsequent to half year end on the 10 February 2022.

The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024. The performance hurdles are:

- A. 3-year Compound Annual Growth Rate (CAGR) Earnings per Share (EPS) (weighting 50%); and
- B. 3-year CAGR Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (weighting 50%).

The number of performance rights that vest (if any) is dependent on whether either one or both of the performance hurdles is achieved by the Group at the end of the performance period. The performance hurdles will be assessed independently.

Set out below are the number of performance rights expected to vest depending upon the results of the Groups' operations:

CAGR over the performance period (1 July 2021 – 30 June 2024)	% of Performance Rights that will vest
Below 15%	NIL
15%	50% (Target)
Between 15% and 25%	Straight line pro-rata vesting between 50% and 100%
At or greater than 25%	100%

Shares under option at 31 December 2021

Unissued ordinary shares of Aquirian Limited under option at the date of this report are as follows:

Date granted	Number of unissued ordinary shares under option	Exercise price of shares	Expiry date of the options
27 July 2021	1,250,000 options	\$0.25	27 July 2024
27 July 2021	1,250,000 options	\$0.35	27 July 2025

No option holder has any right under the options to participate in any other share issue of Aquirian Limited.

Shares issued on exercise of options

No shares were issued during the reporting period or up to the date of this report on exercise of options.

Indemnification and insurance of Directors and Officers

The Group has indemnified the Directors and executives of the Group for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the half year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the half year, for any person who is or has been an auditor of the Group.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of Aquirian Limited or any of its subsidiaries.

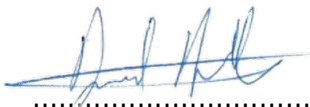
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Signed in accordance with a resolution of the Directors.



.....
David Kelly
Managing Director
Perth

23 February 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AQUIRIAN LIMITED AND ITS CONTROLLED ENTITIES**

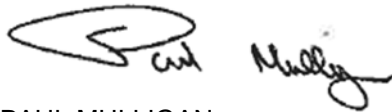
In relation to the independent review for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Aquirian Limited and the entities it controlled during the period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 23 February 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Notes	31 December 2021 \$	31 December 2020 \$
Revenue and other income			
Revenue from contracts with customers	4	7,497,299	6,293,653
Other income		131,664	181,622
		7,628,963	6,475,275
Less: expenses			
Materials, labour hire and consumables used	6	(2,976,789)	(3,689,776)
Depreciation and amortisation	6	(707,090)	(351,159)
Director fees		(45,455)	(48,000)
Share based payments		(320,732)	-
Employee benefits expense	6	(1,863,600)	(1,083,783)
Occupancy expenses		(42,786)	(39,636)
Advertising expense		(58,853)	(48,422)
Finance costs	6	(50,065)	(51,502)
Other expenses		(897,856)	(351,217)
		(6,963,226)	(5,663,495)
Profit before income tax expense		665,737	811,780
Income tax expense		(177,384)	(211,063)
Net profit from continuing operations		488,353	600,717
Other comprehensive income for the period		-	-
Total comprehensive income		488,353	600,717
 Basic earnings per share for profit attributable to owners of Aquirian limited		 0.006	 0.015
 Diluted earnings per share for profit attributable to owners of Aquirian limited		 0.006	 0.015

The accompanying Notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		7,481,854	1,673,655
Receivables	7	2,056,756	1,607,201
Inventories	8	245,886	142,343
Other assets	9	260,699	304,898
Total current assets		10,045,195	3,728,097
Non-current assets			
Property, plant and equipment	10	4,306,740	3,158,241
Lease assets	11	524,208	314,574
Intangible assets	13	1,218,373	921,752
Deferred tax assets		101,631	101,631
Total non-current assets		6,150,952	4,496,198
Total assets		16,196,147	8,224,295
Current liabilities			
Lease liabilities	12	222,407	111,364
Payables	14	1,737,822	2,051,799
Borrowings	15	1,104,676	1,066,240
Provisions		273,587	275,015
Current tax liabilities		92,804	273,074
Total current liabilities		3,431,296	3,777,492
Non-current liabilities			
Lease liabilities	12	341,116	225,208
Borrowings	15	1,587,695	1,805,968
Total non-current liabilities		1,928,811	2,031,176
Total liabilities		5,360,107	5,808,668
Net assets		10,836,040	2,415,627
Equity			
Share capital	16	7,611,428	100
Share based payments reserve	17	320,732	-
Retained earnings		2,903,880	2,415,527
Total equity		10,836,040	2,415,627

The accompanying Notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2020	100	-	1,792,166	1,792,266
Profit for the period	-	-	600,717	600,717
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	600,717	600,717
Balance as at December 2020	100	-	2,392,883	2,392,983
Balance as at 1 July 2021	100	-	2,415,527	2,415,627
Profit for the period	-	-	488,353	488,353
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	488,353	488,353
Transactions with owners in their capacity as owners:				
Issue of ordinary shares (Note 15)	8,000,000	-	-	8,000,000
Share issue costs	(388,672)	-	-	(388,672)
Share based payments (Note 16)	-	320,732	-	320,732
Total transactions with owners in their capacity as owners	7,611,328	320,732	-	7,932,060
Balance as at 31 December 2021	7,611,428	320,732	2,903,880	10,836,040

The accompanying Notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	31 December 2021	31 December 2020
	\$	\$
Cash flow from operating activities		
Receipts from customers	7,504,071	6,280,802
Payments to suppliers and employees	(6,702,960)	(5,662,488)
Interest received	2,031	71
Finance costs	(42,512)	(44,098)
Income tax paid	(357,654)	(130,202)
Finance costs - lease liabilities	(7,553)	(7,404)
Net cash provided by operating activities	<u>395,423</u>	<u>436,681</u>
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	146,354	222,332
Payment for property, plant and equipment	(1,271,694)	(255,500)
Payment for intangibles	(308,146)	-
Payments for the acquisition of Maglok Australia	-	(690,000)
Net cash used in investing activities	<u>(1,433,486)</u>	<u>(723,168)</u>
Cash flow from financing activities		
Proceeds from issue of shares	8,000,000	-
Share issue costs	(388,672)	-
Repayment of borrowings	(702,765)	-
Proceeds received from borrowings	-	271,916
Principal portion of lease payments	(62,301)	(57,021)
Net cash provided by financing activities	<u>6,846,262</u>	<u>214,895</u>
Reconciliation of cash		
Cash at beginning of the period	1,673,655	1,774,006
Net increase / (decrease) in cash held	<u>5,808,199</u>	<u>(71,592)</u>
Cash at end of period	<u>7,481,854</u>	<u>1,702,414</u>

The accompanying Notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

This financial report is a condensed consolidated half year financial report that does not include all notes of the type usually included in an annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Aquirian Limited (the "Company") during the half year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The financial report covers the Company and its consolidated entities (the "Group") for the half year ended 31 December 2021. Aquirian Limited is a for profit limited company incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is Level 3, 190 St Georges Terrace, Perth Western Australia.

The financial report was authorised for issue by the directors as at the date of the directors' report.

(a) Basis of preparation of the financial report

This financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134), as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. As a result, the financial report does not include all the notes of the type usually included in an annual financial report.

Other than as set out in Note 1 below, the accounting policies applied in this half year financial report are consistent with those of the financial report for the prior period ended 30 June 2021 and should be read in conjunction with this financial report

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. On 27 July 2021, Aquirian Limited listed on the Australian Securities Exchange. In accordance with the prospectus, the Aquirian Limited issued 40,000,000 shares at \$0.20 per share to raise \$8,000,000 (before costs).

(c) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. The share-based payment reserve records the value of share-based payments.

(d) Share based payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Share-based payment transactions are recognised in equity if the goods or services were received in an equity-settled share-based payment transaction, or as a liability if the goods and services were acquired in a cash settled share-based payment transaction. The fair value of options is determined using a Black-Scholes Merton option pricing model. The number of share options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The probability of achieving non-market based vesting conditions of performance rights is assessed at each reporting period.

The Company has applied judgement in assessing the likelihood of achieving the performance milestones in relation to the performance rights issued in the period.

(e) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

NOTE 2: CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Share Based Payments

The Group measures the cost of equity-settled transactions with suppliers and employees by reference to the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted. The fair value of the equity instruments granted is determined using the Black-Scholes Merton option pricing model taking into account the terms and conditions upon which the instruments were granted as detailed in Note 16. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 3: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:

- (a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- (b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;
- (c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- (d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- (e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and
- (f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2021-2 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:

- (a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- (b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;
- (c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;
- (d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and
- (e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers from continuing operations

	31 December 2021 \$	31 December 2020 \$
Revenue recognised at a point in time	3,845,669	2,081,017
Revenue recognised over time	3,651,630	4,212,636
	<u>7,497,299</u>	<u>6,293,653</u>

Revenue from contracts with customers is disclosed in the segment note as follows:

Mining Services	4,575,632	3,058,005
People Services	2,921,667	3,235,648
	<u>7,497,299</u>	<u>6,293,653</u>

The aggregate amount of transaction prices (unrecognised revenue) allocated to remaining performance obligations, at the reporting date, is as follows:

Mining Services	<u>27,210</u>	<u>-</u>
-----------------	---------------	----------

The aggregate amount of transaction prices (unrecognised revenue) allocated to remaining performance obligations, at the reporting date (as disclosed above), is expected to be recognised as revenue within 6 months of the reporting date. This amount is currently recognised within trade and other payables.

NOTE 5: SEGMENT INFORMATION

(a) Description of segments

The Group's chief operating decision maker has identified the following reportable segments:

Mining Services: providing consumable products, blasting products and lease equipment, as well as manufacturing innovative storage solutions for explosive materials and dangerous goods.

People Services Division: Nationwide personnel on permanent, casual or contract basis, and the training of individuals within the drill & blast focussed industry.

These operating segments have been identified based on internal reports reviewed by the Group's chief executive officer in order to allocate resources to the segment and assess its performance.

(b) Segment information

The Group's managing director uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount reported in the internal reports to the chief executive officer.

Amounts of segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. Inter-segment revenue is determined on an arm's length basis.

Segment information is reconciled to financial statements and underlying profit disclosure notes if provided elsewhere where these amounts differ.

NOTE 5: SEGMENT INFORMATION CONTINUED

For The Half Year Ended 31 December 2021

	Mining Services \$	People Services \$	Corporate/ Unallocated \$	Total \$
Segment revenue				
Total segment revenue & other income	4,723,216	2,903,480	2,267	7,628,963
Segment revenue from external source	4,723,216	2,903,480	2,267	7,628,963
Segment result				
Total segment result	1,436,631	(181,798)	(766,480)	488,353
Intersegment eliminations	1,070,875	211,057	(1,281,932)	-
Total profit/(loss) after income tax	2,507,506	29,259	(2,048,412)	488,353
<i>Items included within the segment result:</i>				
Interest income	14	-	2,017	2,031
Interest expense	48,047	2,018	-	50,065
Depreciation and amortisation expense	698,215	-	8,875	707,090
Income tax expense	-	-	177,384	177,384

For The Half Year Ended 31 December 2020

	Mining Services \$	People Services \$	Corporate/ Unallocated \$	Total \$
Segment revenue				
Total segment revenue & other income	3,075,307	3,399,968	-	6,475,275
Segment revenue from external source	3,075,307	3,399,968	-	6,475,275
Segment result				
Total segment result	237,521	(214,624)	577,820	600,717
Intersegment eliminations	635,173	575,745	(1,210,918)	-
Total profit/(loss) after income tax	872,694	361,121	(633,098)	600,717
<i>Items included within the segment result:</i>				
Interest income	71	-	-	71
Interest expense	40,480	9,837	1,185	51,502
Depreciation and amortisation expense	350,050	-	1,109	351,159
Income tax expense	-	-	211,063	211,063

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
ABN: 23 634 457 506

NOTE 5: SEGMENT INFORMATION CONTINUED

31 December 2021	Mining Services \$	People Services \$	Corporate/ Unallocated \$	Total \$
Segment assets	6,897,772	997,771	8,445,663	16,341,206
Intersegment eliminations	1,614,168	322,555	(2,081,782)	(145,059)
Total Segment assets	8,511,940	1,320,326	6,363,881	16,196,147
Segment liabilities	4,042,258	711,752	723,265	5,477,275
Intersegment eliminations	(55,365)	(60,782)	(1,021)	(117,168)
Total Segment liabilities	3,986,893	650,970	722,244	5,360,107

30 June 2021	Mining Services \$	People Services \$	Corporate/ Unallocated \$	Total \$
Segment assets	6,376,688	1,497,693	599,139	8,473,520
Intersegment eliminations	(41,696)	(10,444)	(197,085)	(249,225)
Total Segment assets	6,334,992	1,487,249	402,054	8,224,295
Segment liabilities	4,607,802	1,029,881	392,319	6,030,002
Intersegment eliminations	(187,266)	(29,668)	(4,400)	(221,334)
Total Segment liabilities	4,420,536	1,000,213	387,919	5,808,668

NOTE 6: PROFIT FROM CONTINUING OPERATIONS

	31 December 2021 \$	31 December 2020 \$
Profit / (losses) before income tax has been determined after:		
Net gain on disposal of property, plant & equipment	116,181	7,641
Foreign exchange gains / loss	9,228	(86,927)
<i>Materials, labour hire and consumables used</i>		
Hire of equipment	85,022	52,138
Repairs and maintenance on equipment rented to customers	118,079	121,778
Labour hire personnel	2,193,105	2,427,122
Raw materials and consumables used	489,565	888,885
Other material and labour hire expenses	91,018	199,853
	2,976,789	3,689,776
<i>Employee benefits expense</i>		
Salaries and wages	1,677,643	825,178
Superannuation guarantee contributions	157,916	100,439
Other employee benefits	28,041	158,166
	1,863,600	1,083,783

NOTE 6: PROFIT FROM CONTINUING OPERATIONS CONTINUED

	31 December 2021	31 December 2020
	\$	\$
<i>Depreciation of non-current assets</i>		
Plant and equipment	615,947	284,836
<i>Amortisation of non-current assets</i>		
Trademark and licences	11,525	4,954
<i>Depreciation of Leases</i>		
Leases (excluding finance costs on lease liabilities)	79,618	61,369
<i>Finance costs expensed</i>		
Financial liabilities measured at amortised cost:		
- Bank borrowings	42,512	44,098
- Lease liabilities	7,553	7,404
	50,065	51,502

NOTE 7: RECEIVABLES

	31 December 2021	30 June 2021
	\$	\$
CURRENT		
Receivables from contracts with customers	2,098,058	1,501,870
Allowance for credit losses	(41,302)	-
	2,056,756	1,501,870
Other receivables	-	105,331
	2,056,756	1,607,201

NOTE 8: INVENTORIES

	31 December 2021	30 June 2021
	\$	\$
CURRENT		
Finished goods - at cost	121,295	142,343
Work in progress - at cost	37,337	-
Stores holdings - at cost	87,254	-
Total inventories	245,886	142,343

NOTE 9: OTHER CURRENT ASSETS

	31 December 2021	30 June 2021
	\$	\$
Prepayments	146,246	230,702
Bonds and deposits	2,400	12,400
Contract assets	112,053	61,796
	260,699	304,898

NOTE 10: PROPERTY PLANT AND EQUIPMENT

	31 December 2021 \$	30 June 2021 \$
<i>Plant & equipment</i>		
At cost	5,443,466	3,799,313
Accumulated depreciation	(1,897,769)	(1,411,104)
	<u>3,545,697</u>	<u>2,388,209</u>
<i>Assets under construction</i>		
At cost	<u>761,043</u>	<u>770,032</u>
Total property, plant and equipment	<u>4,306,740</u>	<u>3,158,241</u>

Assets under construction pertains to equipment that is currently undergoing pre-commissioning and not held ready for use.

	31 December 2021	30 June 2021
Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial period/year		
<i>Plant & equipment</i>		
Carrying amount at beginning of period/year	2,388,209	1,374,170
Additions	-	1,812,323
Disposals	(30,173)	(279,918)
Additions through business combinations	-	147,550
Transfers from assets under construction	1,803,608	-
Depreciation expense	(615,947)	(665,917)
Carrying amount end of period/year	<u>3,545,697</u>	<u>2,388,209</u>
<i>Assets under construction</i>		
Carrying amount at beginning of period/year	770,032	-
Additions	1,794,619	770,032
Transfers between classes	(1,803,608)	-
Carrying amount end of period/year	<u>761,043</u>	<u>770,032</u>

AQUIRIAN LIMITED AND CONTROLLED ENTITIES
ABN: 23 634 457 506

NOTE 11: LEASE ASSETS	31 December 2021 \$	30 June 2021 \$
Lease assets		
Carrying amount of lease assets, by class of underlying asset:		
<i>Buildings under operating lease arrangements</i>		
At cost	845,790	556,538
Accumulated depreciation	(321,582)	(241,964)
Total carrying amount of lease assets	<u>524,208</u>	<u>314,574</u>
	Total	
Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year/period:	\$	
Carrying amount at 30 June 2021	314,574	
Additions – New lease premises for Maglok operations	289,252	
Depreciation	(79,618)	
Impairment losses (or reversal of impairment losses)	-	
Net foreign exchange differences	-	
Carrying amount at 31 December 2021	<u>524,208</u>	
NOTE 12: LEASE LIABILITIES	31 December 2021 \$	30 June 2021 \$
Lease liabilities		
Current lease liabilities	222,407	111,364
Non-current lease liabilities	341,116	225,208
Total carrying amount of lease liabilities	<u>563,523</u>	<u>336,572</u>
Lease expenses and cashflows		
Interest expense on lease liabilities	7,553	13,843
Expense relating to leases of 12-months or less (for which a lease asset and lease liability has not been recognised)	42,786	77,994
Depreciation expense on lease assets	79,618	116,883
Total cash outflow in relation to leases	(69,854)	(123,483)

NOTE 13: INTANGIBLE ASSETS	31 December 2021 \$	30 June 2021 \$
<i>Goodwill</i>		
At cost	689,951	689,951
<i>Reconciliation</i>		
Carrying amount at beginning of year/period	689,951	146,170
Additions through business combinations	-	543,781
Impairment losses	-	-
Carrying amount end of year/period	<u>689,951</u>	<u>689,951</u>
<i>Patent, Design and Development Costs</i>		
At cost	548,192	240,046
Accumulated amortisation and impairment	(19,770)	(8,245)
	<u>528,422</u>	<u>231,801</u>
<i>Reconciliation</i>		
Carrying amount at beginning of year/period	231,801	189,251
Additions through common control transaction	-	-
Additions	308,146	43,605
Amortisation expense	(11,525)	(1,055)
Carrying amount end of year/period	<u>528,422</u>	<u>231,801</u>

Patent and Design costs are amortised over a useful life of 20 years from their grant date.
Development costs capitalised during the period pertain to the Group's Collarkeeper system and Stage II and III trials conducted during the period.

Development costs are amortised over a useful life of 5 years from commercialisation of the product.

	31 December 2021 \$	30 June 2021 \$
Impairment tests for goodwill and intangible assets with indefinite useful lives		
Goodwill is allocated to the following cash generating units (CGU):		
- <i>Modular Training</i>	146,170	146,170
- <i>Maglok Australia</i>	543,781	543,781
	<u>689,951</u>	<u>689,951</u>

There has been no event occurring during the half year ended 31 December 2021, which has triggered any review for impairment on the above intangible assets with indefinite useful lives.

NOTE 14: PAYABLES	31 December 2021 \$	30 June 2021 \$
CURRENT		
Trade payables	332,353	792,051
Other payables (i)	671,915	900,777
Accruals	706,344	180,494
Unearned revenue	27,210	178,477
	<u>1,737,822</u>	<u>2,051,799</u>

(i) Other payables namely relate to Super, PAYG and GST obligations owing for the December quarter then ended.

NOTE 15: BORROWINGS

	31 December 2021	30 June 2021
	\$	\$
CURRENT		
<i>Secured by fixed and floating charge:</i>		
- Asset finance facilities	1,004,680	966,382
- Long-term bank loan	99,996	99,858
<i>sub-total</i>	<u>1,104,676</u>	<u>1,066,240</u>
NON-CURRENT		
<i>Secured by fixed and floating charge:</i>		
- Asset finance facilities	1,304,353	1,472,628
- Long-term bank loan	283,342	333,340
<i>sub-total</i>	<u>1,587,695</u>	<u>1,805,968</u>
TOTAL	<u><u>2,692,371</u></u>	<u><u>2,872,208</u></u>

Asset finance facilities

The asset finance facilities are namely held with a major bank and secured via a registered GSA over the equipment purchased under their relevant agreements. The Group has also provided a general security agreement to the bank in respect to the Group's existing and future assets. As announced on 19 August 2021, the Group's asset finance facility includes a limit of up to \$5 million.

Asset finance facilities bear fixed interest at an average prevailing market rate of ~3% per annum and are primarily payable over 1 to 5 year terms.

Long-term bank loan

The Group secured long-term bank loan with a major bank in order to fund its acquisition of the Maglok Australia business. The loan bears a floating interest rate in line with the business lending rate offered by the major bank, plus a margin of 2.5%. For 31 December 2021, this average of this rate was 4.50% per annum.

As described above, this loan is also secured by a general security agreement over the Group's existing and future assets. The loan principal is repayable in equal monthly instalments of \$8,333 until it's expiry in October 2025.

NOTE 16: SHARE CAPITAL

	31 December 2021	30 June 2021		
	No of Shares	\$	No of Shares	\$
(a) Issued and paid up capital				
Ordinary shares fully paid	80,000,000	7,611,428	40,000,000	100

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in shares on issue

	No of Shares	\$
Balance as at 1 July 2019	100,000	100
- 18 March 2021 – Share split (i)	39,900,000	-
Balance as at 30 June 2020	<u>40,000,000</u>	<u>100</u>
- 27 July 2021 - Initial Public Offering (IPO)	40,000,000	8,000,000
Less Share issue costs associated with the IPO	-	(388,672)
Balance as at 31 December 2021	<u><u>80,000,000</u></u>	<u><u>7,611,428</u></u>

(i) Ahead of the Group's IPO, a share split was carried out where shareholders received 400 shares for each fully paid ordinary share held prior to the resolution being carried.

NOTE 16: SHARE CAPITAL CONTINUED

(c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

NOTE 17: SHARE BASED PAYMENTS

31 December 2021	30 June 2021
\$	\$

Share Based Payments Reserve

320,732	-

Share based payment reserve

(i) Nature and purpose of reserve

The reserve is used to record the value of equity benefits provided to employees, executives and unrelated parties for services received.

31 December 2021	30 June 2021
\$	\$

(ii) Movements in reserve

Balance at beginning of year/period

-	-
---	---

- 1,250,000 \$0.25 options issue to Directors and Lead Managers (a)

121,789	-
---------	---

- 1,250,000 \$0.35 options issue to Directors and Lead Managers (a)

147,383	-
---------	---

- Performance rights (b)

51,560	-
--------	---

Balance at end of year/period

320,732	-

(a) Options

On the 27 July 2021, the Group issued 550,000 options to Mr Bruce McFadzean (Non-Executive Chairman) and 450,000 options to Ms Alexandra Atkins (Non-Executive Director). The purpose of their issue was to align their respective interests with that of the Group.

The Group also issued 1,500,000 options to the Lead Managers for their services associated with the successful listing of Aquirian Limited on the Australian Securities Exchange (ASX) as a result of its IPO.

All options issued to recipients were undertaken in two equal classes. Further details in relation to the exercise price of each option class is set out below.

Date options granted	Number of unissued ordinary shares under option	Exercise price of shares	Expiry date of the options
27 July 2021	1,250,000	\$0.25	27 July 2024
27 July 2021	1,250,000	\$0.35	27 Jul 2025

The reserve included the recognition of unvested performance rights for ordinary shares related to the Executive Directors and key management personnel long term incentive (LTI) program.

NOTE 17: SHARE BASED PAYMENTS CONTINUED

The options have been valued using a Black-Scholes Merton option pricing model. The inputs and results of valuations undertaken were as follows:

Lead Manager Options	\$0.25 exercise price options	\$0.35 exercise price options
Number of options	750,000	750,000
Grant date	27 July 2021	27 July 2021
Share price at grant date	\$0.20	\$0.20
Exercise price	\$0.25	\$0.35
Expected volatility	85%	100%
Implied option life	3 years	4 years
Expected dividend yield	NIL	NIL
Risk free rate	0.11%	0.11%
Valuation per option (\$)	\$0.0974	\$0.1179
Total valuation	\$73,073	\$88,430
Non-Executive Chairman Options	\$0.25 exercise price options	\$0.35 exercise price options
Number of options	275,000	275,000
Grant date	27 July 2021	27 July 2021
Share price at grant date	\$0.20	\$0.20
Exercise price	\$0.25	\$0.35
Expected volatility	85%	100%
Implied option life	3 years	4 years
Expected dividend yield	NIL	NIL
Risk free rate	0.11%	0.11%
Valuation per option (\$)	\$0.0974	\$0.1179
Total valuation	\$26,794	\$32,424
Non-Executive Director Options	\$0.25 exercise price options	\$0.35 exercise price options
Number of options	225,000	225,000
Grant date	27 July 2021	27 July 2021
Share price at grant date	\$0.20	\$0.20
Exercise price	\$0.25	\$0.35
Expected volatility	85%	100%
Implied option life	3 years	4 years
Expected dividend yield	NIL	NIL
Risk free rate	0.11%	0.11%
Valuation per option (\$)	\$0.0974	\$0.1179
Total valuation	\$21,922	\$26,529

(b) Performance rights

As announced on 26 October 2021, the Group put forward an Employee Securities Incentive Plan (the "Plan") for approval by shareholders at the Annual General Meeting ("AGM"). The purpose of the Plan is to motivate and retain key officers, employees and consultants of the Group and provide them with the opportunity to participate in future growth of the Group.

Under the terms of the Plan, up to a maximum of 4,000,000 equity securities can be issued from time.

Executive performance rights

Upon receiving approval for the plan from shareholders at the AGM, 1,212,446 performance rights were offered to executives of the Group.

These instruments were issued subsequent to half year end on the 10 February 2022.

NOTE 17: SHARE BASED PAYMENTS CONTINUED

The performance rights are subject to two performance hurdles, each of which is measured at the end of the three-year performance period commencing on 1 July 2021 and ending on 30 June 2024.

The performance hurdles are:

- A. 3-year Compound Annual Growth Rate (CAGR) Earnings per Share (EPS) (weighting 50%); and
- B. 3-year CAGR Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (weighting 50%).

The number of performance rights that vest (if any) is dependent on whether either one or both of the performance hurdles is achieved by the Group at the end of the performance period. The performance hurdles will be assessed independently.

Set out below are the relative percentage of total performance rights under each tranche expected to vest depending upon the results of the Groups' operations:

CAGR over the performance period (1 July 2021 – 30 June 2024) ("3 year vesting period")	% of Performance Rights that will vest
Below 15%	NIL
15%	50% (Target)
Between 15% and 25%	Straight line pro-rata vesting between 50% and 100%
At or greater than 25%	100%

The maximum value of executives performance rights is \$272,800, determined with reference to the agreed percentage of each individuals Fixed Annual Remuneration ("FAR"), being 40%. The number of instruments issued has been determined by dividing the volume weighted average price ("VWAP") of ordinary Aquarian Limited shares over the 7 trading days preceding the date upon which both the Group and recipients had agreed a mutual understanding to the terms and conditions of their entitlement under the Plan (VWAP of \$0.22499).

In accordance with Australian Accounting Standards, this amount will be expensed proportionally over the 3 year vesting period, in line with the Group's best estimate of the number of performance rights that will eventually vest.

At 31 December 2021, the Group believe it is more probable than not that at least 50% of both tranches of performance rights vest at the end of the 3 year vesting period.

A total of \$22,733 has been recognised as an expense in the statement of profit and other comprehensive income, and the share based payments reserve at 31 December 2021 in relation to the above instruments issued to executives of the Group.

Director Performance Rights

As approved by shareholders at the Groups AGM held on 25 November 2021, Mr David Kelly (Managing Director) and Mr Gregory Patching (Executive Director) were offered 862,849 and 674,596 performance rights respectively as incentives to motivate and provide them with opportunity to participate in the Growth of the Group.

These performance rights were issued subsequent to half year end on 10 February 2022.

Consistent with the performance rights offered to executives and outlined above, these instruments were issued in two equal tranches requiring at least a 15% CAGR in either EPS or EBITDA during the 3 year vesting period.

NOTE 17: SHARE BASED PAYMENTS CONTINUED

The maximum value of the performance rights offered to Mr David Kelly was \$194,141, representing 60% of his FAR. The maximum value of the performance rights offered to Mr Gregory Patching was \$151,784, representing 50% of his FAR. The number of instruments issued has been determined by dividing the volume weighted average price ("VWAP") of ordinary Aquarian Limited shares over the 7 trading days preceding the date upon which both the Group and recipients had agreed a mutual understanding to the terms and conditions of their entitlement under the Plan (VWAP of \$0.22499).

In accordance with Australian Accounting Standards, this amount will be expensed proportionally over the 3 year vesting period, in line with the Group's best estimate of the number of performance rights that will eventually vest.

At 31 December 2021, the Group believe it is more probable than not that at least 50% of both tranches of performance rights vest at the end of the 3 year vesting period.

A total of \$28,827 has been recognised as an expense in the statement of profit and other comprehensive income, and the share based payments reserve at 31 December 2021 in relation to the above instruments issued to Directors of the Group.

NOTE 18: INTERESTS IN SUBSIDIARIES

Subsidiaries of the Group	Country of incorporation	Ownership interest held by the Group	
		31 December 2021	30 June 2021
		%	%
TBS Mining Solutions Pty Ltd	Australia	100	100
TBS Workforce Pty Ltd	Australia	100	100
Modular Training Pty Ltd	Australia	100	100
SwiftEquip Solutions Pty Ltd	Australia	100	100

NOTE 19: EARNINGS PER SHARE

	31 December 2021	31 December 2020
	\$	\$
Profit used in calculating basic and diluted earnings per share	488,353	600,717
Weighted average number of ordinary shares used in calculating basic earnings per share	74,316,939	40,000,000
Adjustment:	1,072,405	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	75,389,344	40,000,000

NOTE 20: RELATED PARTY TRANSACTIONS

During the half year ended 31 December 2021, a number of options and performance rights were issued or offered to key management personnel. Refer to Note 17: Share Based Payments for further information including disclosure of the relevant recipients of options and performance rights.

Other than outlined within Note 17, there were no other transactions entered into with Directors, key management personnel or their respective related parties during the half year ended 31 December 2021.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

Performance rights approved for issue by shareholders of Aquirian Limited at the most recent Annual General Meeting held on 25 November 2021 were issued subsequent to the half year end on the 10 February 2022. 1,537,445 performance rights were issued to Directors and a further 1,212,446 performance rights were issued to executives of the Group in accordance with the Employee Share Incentive Plan (ESIP) approved by shareholders.

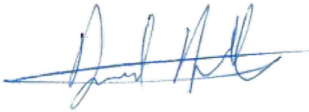
Other than as outlined above, no other matters or circumstances have arisen since 31 December 2021 that has materially affected, or may materially affect the Group's operations, the results of those operations, or its state of affairs in future financial years.

DIRECTORS DECLARATION

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



David Kelly
Managing Director

Perth
Date 23 February 2022

AQUIRIAN LIMITED
ABN 23 634 457 506
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AQUIRIAN LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Aquirian Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Aquirian Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Aquirian Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

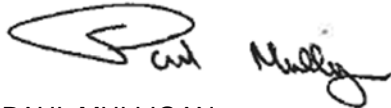
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

AQUIRIAN LIMITED
ABN 23 634 457 506
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AQUIRIAN LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 23 February 2022