

## Quarterly Activities Report – September 2021

### Q1FY22 Highlights

- Strong Q1FY22 financial performance, strong balance sheet position
- Revenue of A\$3,923,525<sup>1</sup> up 51% on prior corresponding period
- EBITDA<sup>2</sup> of A\$657,331<sup>1</sup> up 95% on prior corresponding period
- Additional equipment acquired and deployed to various projects
- Significant progress made on the development of the Collar Keeper® System
- Collar Keeper® Patent granted in Chile
- Successful listing on the ASX

Mining services provider Aquirian Limited (**ASX: AQN**) ('**Aquirian**' or the '**Company**') is pleased to report on its quarterly activities, having commenced FY22 ahead of plan after successfully listing on the ASX on 27 July 2021. The unaudited quarterly financial results confirm strong performance and continued growth across all areas of Aquirian's operations.

The Company generated A\$3,923,525<sup>1</sup> of total revenue during the quarter, an increase of 51% on the FY21 corresponding period and a 14% increase on the final quarter of FY21. EBITDA<sup>2</sup> increased to A\$657,331<sup>1</sup>, an increase of 95% on the FY21 corresponding period and a 40% increase on the final quarter of FY21. The Company's balance sheet remains strong with net assets of A\$10.5 million<sup>1</sup>, with positive cashflow generated from operating activities during the quarter. The quarterly financial performance was underpinned by strong results from the Company's Mining Services division, in particular Collar Keeper® sales internationally and strong demand for the Company's underground mining equipment.

Commenting on the quarter, Aquirian Managing Director, David Kelly said: "We are delighted with the results achieved in our first reporting period since our admission into the ASX. Most pleasing is our business model resilience and growth that our team has delivered aligned with our strategy. Our investment in the key areas of Collar Keeper® System and underground fleet continues to evolve and we look forward to delivering across the balance of this financial year."

### Operations

The Mining Services division delivered a strong quarter performance through its increased UG fleet offering, with all available equipment engaged with its growing client base. The Company continued to add additional fleet capacity and expanded its customer base during the quarter, including a new customer on the east coast of Australia.

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<sup>1</sup> Unaudited financial results

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



The development of the Collar Keeper® System accelerated though the quarter with a Stage II prototype deployed (see ASX announcement dated 13 October 2021). This prototype trial was extremely successful and Aquirian will progress Stage III prototype testing planned for December 2021. Sales of the Collar Keeper® product were consistent across the quarter with international demand growing towards pre-COVID levels. Importantly, Collar Keeper® patents for the US was accepted for grant, and Chile was granted during the quarter.



Fig 1. Collar Keeper® System prototype testing

The Company secured larger manufacturing facilities for MagLok in South Australia during the quarter, and it will relocate to the new premises in the current quarter. The relocation and expansion



Fig 2. Two MagLok magazines (6M) being delivered to a client's site to be installed

will enable MagLok to improve safety and efficiency across operations, lower costs and broaden its suite of client offerings.

The impacts of COVID and, in particular, the border closures across Australia continue to impact the People Services division. The Company has focused on delivering exceptional service to clients, working with the market to navigate through the challenges of a very tight labour pool. The business has focused on providing specialist roles to key clients generating improved returns.

The division has increased its offerings to a number of clients including operations specialist's and training resources into key iron ore producers across the Pilbara during the quarter.

As expected, Aquirian is pleased to advise that the Australian Skills Quality Authority (ASQA) has agreed to set aside its decision in relation to Modular Training's compliance as outlined in Section 1.3 of the Company's Prospectus.

## Corporate

The Company continues to be in a strong financial position with cash and cash equivalents of A\$8.27 million and trade receivables of A\$1.97 million. Cash inflows from financing activities for the quarter include the receipt of A\$8 million from the ASX IPO.

Aquirian made operating activity payments of A\$155,000 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\$38,000 to related parties, being payments related to the remuneration agreement for the Executive Director in relation to the development of the Collar Keeper® System.

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

Use of Funds	Prospectus	Actual to Date
Accelerate development and commercialisation of the Collar Keeper® System	A\$2,450,000	A\$187,000
Underground fleet expansion	A\$2,450,000	A\$819,000
Expand MagLok Australia manufacturing capability	A\$500,000	A\$56,000
Working Capital / Corporate Overheads	A\$1,770,000	A\$0.00
Cost of the Offer	A\$830,000	A\$862,000
<b>Total</b>	<b>A\$8,000,000</b>	<b>A\$1,924,000</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")**

30 September 2021

<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	3,520	3,520
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,034)	(2,034)
(c) advertising and marketing	(34)	(34)
(d) leased assets	(27)	(27)
(e) staff costs	(754)	(754)
(f) administration and corporate costs	(321)	(321)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(23)	(23)
1.6 Income taxes paid	(126)	(126)
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>201</b>	<b>201</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	(878)	(878)
	(d) investments	-	-
	(e) intellectual property	(131)	(131)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	90	90
	(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>(919)</b>	<b>(919)</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	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)	(389)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(296)	(296)
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>7,315</b>	<b>7,315</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	1,674	1,674
4.2	Net cash from / (used in) operating activities (item 1.9 above)	201	201
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(919)	(919)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,315	7,315
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>8,271</b>	<b>8,271</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	6,021	6,021
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>8,271</b>	<b>8,271</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	155
6.2	Aggregate amount of payments to related parties and their associates included in item 2	38

*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	5,408	2,622
7.2		
7.3	40	40
7.4	<b>Total financing facilities</b>	<b>2,662</b>
7.5	<b>Unused financing facilities available at quarter end</b>	
		2,786
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> <p>Other Finance</p> <ol style="list-style-type: none"> <li>1. A vendor finance arrangement for an item of mining equipment with Epiroc Australia at an interest rate of 5.5% and a term of 60 months. The loan is repayable in instalments until it's expiry in December 2021. The facility is secured via a registered GSA over the equipment purchased.</li> </ol>	
<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	201
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,271
8.3	Unused finance facilities available at quarter end (item 7.5)	2,786
8.4	Total available funding (item 8.2 + item 8.3)	11,057
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....25 October 2021.....

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.