

Aquirian Limited

ABN 23 634 457 506

Half Year Financial Report and Appendix 4D

31 December 2023

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. Financial Statements for the half year ended 31 December 2023 reviewed by the Group's Auditors.

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 2023
Previous period:	For the half year ended 31 December 2022

2. Results for announcement to the market

Results				\$
Revenues from ordinary activities	Down	13.3%	to	11,935,259
EBITDA ¹ from ordinary activities	Down	0.1%	to	1,855,825
Profit from ordinary activities after tax attributable to the members of Aquirian Limited	Up	13.5%	to	249,000
Profit for the half year attributable to the members of Aquirian Limited	Up	13.5%	to	249,000

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.

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

5. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	9.47	9.44

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


Company Secretary

Dated at Perth this 27 day of February 2024

About Aquirian

Aquirian is an emerging specialist mining services company providing people, equipment and innovative products that support mining clients across their operations.

The Company has a strong national and international presence with reputable, in-house capabilities and, through its extensive, in-depth relationships built up over many years of working in mining services locally and globally, it has attracted and maintained a long-term, tier-one client base. It provides specialised People Services (training, labour, recruitment) under the **Modular Training, TBS Workforce** and **Primed Professionals** brands, and Mining Services (equipment leasing, maintenance & repair, engineering services, drill and blast products and onsite field services) under the **Collar Keeper®**, **Cybem Services, TBS Mining Solutions** and **MagLok** brands to the mining and resources, and civil and defence sectors in Australia and internationally.

AQUIRIAN LIMITED
ABN: 23 634 457 506
AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2023

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AQUIRIAN LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE HALF YEAR ENDED
31 DECEMBER 2023

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AQUIRIAN LIMITED AND CONTROLLED ENTITIES
CORPORATE DIRECTORY
31 December 2023

Directors	Bruce McFadzean Alexandra Atkins David Kelly Gregory Patching
Company Secretary	Jessie Klaric
Registered Office	Level 5 190 St Georges Terrace Perth WA 6000
Share register	Automic Group Level 5 191 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/

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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 2023 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 year were the development of technology and innovative products, provision of equipment, maintenance and repairs, onsite field services, workforce, 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.

There was significant progress on the automation phase of the Collar Keeper® System in the half year. The Company deployed a prototype of the Automated Collar Keeper® System on an Epiroc T45 drill rig for field testing in a Perth quarry. The system performed exceptionally well, delivering close to 40 quality blast holes, allowing the drill operator to complete all tasks while remaining in the cab. No significant issues were identified during testing; however, the trial provided several lessons for our in-house technical team, which will incorporate these findings into a production-ready model.

Significant progress towards financial completion of the acquisition of the Wubin Emulsion Facility (Western Energetics) (announced 19/10/23) has occurred in the half year. The Company submitted the licencing transfer application for the Wubin Emulsion Plant in December 2023, and licencing is expected to be granted by mid-late 3Q24. The financial transaction is anticipated to be completed shortly after the licences are issued.

The Company continues to have a small on-site team at Wubin completing care and maintenance tasks and preparing for re-start. Several systems suppliers have been to the site, and restart plans are advancing for the facility. The seller (Hanwha) has agreed that the Company can restart and test some critical systems before financial completion occurs; this is expected to reduce the original production restart time for the facility post-financial completion.

There has been significant interest in Wubin, with several customers attending the facility and expressing interest in toll manufacturing, product supply, and storage. Logistics providers are also considering opportunities to utilise some of the available land.

Overall, the Group has performed solidly over the half year. Mining Services were driven by products and technology sales and the manufacturer of energetic storage, we continue to see demand in this area. This was partly offset by reduced demand of the underground fleet and the heavy equipment services business underperformance. The People Services division performed reasonably, with recruitment experiencing slower demand, particularly in the second quarter, exacerbated by labour availability. Labour availability remains the biggest challenge to growth for these businesses. Training experienced consistent demand for classroom and onsite services.

Results

The Group’s consolidated profit after providing for income tax was \$249,000 (31 December 2022: \$219,379) up 13.5%.

Total revenue for the half year ended 31 December 2023 was \$12,144,555 (31 December 2022: \$13,816,682) down 12.1%. The decrease is primarily related to the People Services Division.

The Group generated positive cash from operating activities for the half year of \$3,603,420 (31 December 2022: \$412,385). Cash and cash equivalents as at 31 December 2023 was \$4,457,521 (30 June 2023; \$3,322,424). Primary cash movement increase is related to lower accounts receivable balance related to collections in Mining Services.

The table below provides a comparison of key results for the half year ended 31 December 2023 to the preceding year:

<i>Statement of Profit and Loss</i>	31 December 2023	31 December 2022
	\$	\$
Total Revenue and other income	12,144,555	13,816,682
Consolidated profit after providing for income tax	249,000	219,379
EBITDA ¹	1,855,825 ¹	1,858,146 ¹

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 financial statements, based on inputs calculated in accordance with Australian Accounting Standards.

<i>Statement of Financial Position</i>	31 December 2023	30 June 2023
	\$	\$
Net Assets	12,403,492	11,985,210
Cash and cash equivalents	4,457,521	3,322,424
Borrowings	5,211,729	6,735,150
Net cash / (debt)	(754,208)	(3,412,726)
Share Capital	7,871,486	7,871,486

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Subsequent events

On 19 October 2023, at the most recent Annual General Meeting, performance rights were approved for issue by shareholders of Aquirian. Aquirian subsequently issued these performance rights on 18 January 2024. 2,103,923 performance rights were issued to Directors, and a further 1,481,343 performance rights were issued to executives of the Group in accordance with the Employee Share Incentive Plan (ESIP) approved by shareholders.

The performance rights were issued at the maximum potential entitlement as outlined in the notice of annual general meeting announced on 14 September 2023. 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 2023 and ending on 30 June 2026.

No other matters or circumstances have arisen since 31 December 2023 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.

Dividends

No dividends were paid, recommended, or declared since the start of the half year (31 December 2022: \$NIL).


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
27 February 2024

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AQUIRIAN LIMITED**

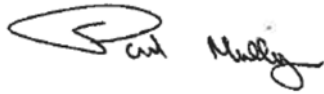
In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (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, 27 February 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Revenue and other income			
Revenue from contracts with customers	3	11,935,259	13,770,582
Other income		209,296	46,100
		12,144,555	13,816,682
Less: expenses			
Materials, labour hire and consumables used		(4,524,123)	(5,530,238)
Depreciation and amortisation		(1,262,755)	(1,441,146)
Director fees		(52,487)	(45,455)
Share based payments	8	(169,282)	(104,866)
Employee benefits expense		(4,559,379)	(5,129,500)
Occupancy expenses		(106,628)	(52,630)
Advertising expense		(25,600)	(45,762)
Finance costs		(203,642)	(93,640)
Other expenses		(851,231)	(1,046,762)
		(11,755,127)	(13,489,999)
Profit before income tax expense		389,428	326,683
Income tax expense		(140,428)	(107,304)
Net profit from continuing operations		249,000	219,379
Other comprehensive income for the year		-	-
Total comprehensive income for the year		249,000	219,379
Basic earnings per share for profit attributable to owners of Aquirian Limited		0.003	0.003
Diluted earnings per share for profit attributable to owners of Aquirian Limited		0.003	0.003

The accompanying Notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		4,457,521	3,322,424
Receivables		3,350,909	5,483,612
Inventories		1,391,857	1,319,888
Other assets		670,220	918,402
Current tax asset		-	64,250
Total current assets		9,870,507	11,108,576
Non-current assets			
Property, plant and equipment	5	7,253,929	7,686,450
Lease assets		2,305,563	2,533,133
Intangible assets	6	4,773,049	4,387,039
Total non-current assets		14,332,541	14,606,622
Total assets		24,203,048	25,715,197
Current liabilities			
Lease liabilities		404,094	401,388
Payables		2,753,444	2,938,048
Borrowings	7	1,814,535	2,216,285
Provisions		435,636	552,929
Current tax liabilities		76,178	-
Total current liabilities		5,483,887	6,108,650
Non-current liabilities			
Lease liabilities		1,983,017	2,162,784
Borrowings	7	3,397,194	4,518,865
Provisions		44,302	48,533
Deferred tax liability		891,156	891,156
Total non-current liabilities		6,315,669	7,621,338
Total liabilities		11,799,556	13,729,988
Net assets		12,403,492	11,985,210
Equity			
Share based payments reserve	8	762,514	593,232
Share capital		7,871,486	7,871,486
Retained earnings		3,769,492	3,520,492
Total equity		12,403,492	11,985,210

The accompanying Notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Contributed equity	Reserves	Retained earnings	Total equity
	\$	\$	\$	\$
Balance as at 1 July 2022	7,708,571	372,296	2,973,675	11,054,542
Profit after income tax for the Half Year	-	-	219,379	219,379
Total comprehensive income for the Half Year	-	-	219,379	219,379
Transactions with owners in their capacity as owners:				
Share based payments (Note 9)	-	104,866	-	104,866
Total transactions with owners in their capacity as owners	-	104,866	-	104,866
Balance as at 31 December 2022	<u>7,708,571</u>	<u>477,162</u>	<u>3,193,054</u>	<u>11,378,787</u>
Balance as at 1 July 2023	7,871,486	593,232	3,520,492	11,985,210
Profit after income tax for the Half Year	-	-	249,000	249,000
Total comprehensive income for the Half Year	-	-	249,000	249,000
Transactions with owners in their capacity as owners:				
Share based payments (Note 9)	-	169,282	-	169,282
Total transactions with owners in their capacity as owners	-	169,282	-	169,282
Balance as at 31 December 2023	<u>7,871,486</u>	<u>762,514</u>	<u>3,769,492</u>	<u>12,403,492</u>

The accompanying Notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023	31 December 2022
		\$	\$
Cash flow from operating activities			
Receipts from customers		15,627,218	13,817,079
Payments to suppliers and employees		(11,821,253)	(13,212,433)
Interest received		1,097	3,323
Interest paid		(122,891)	(81,869)
Income tax paid		-	(101,944)
Finance costs - lease liabilities		(80,751)	(11,771)
Net cash provided by operating activities		3,603,420	412,385
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		965,102	-
Payment for property, plant and equipment		(1,214,543)	(2,792,573)
Payment for intangibles		(498,471)	(706,195)
Net cash (used in) investing activities		(747,913)	(3,498,768)
Cash flow from financing activities			
Repayment of borrowings		(1,523,421)	(1,040,399)
Proceeds received from borrowings		-	1,583,847
Principal portion of lease payments		(196,989)	(209,483)
Net cash (used in) / provided by financing activities		(1,720,410)	333,965
Reconciliation of cash			
Cash at beginning of the year		3,322,424	7,993,305
Net increase / (decrease) in cash held		1,135,097	(2,752,418)
Cash at end of half year 31 December 2023		4,457,521	5,240,887

The accompanying Notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR HALF YEAR ENDED 31 DECEMBER 2023

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 condensed consolidated financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 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 2023. 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 5, 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.

Accounting standards issued but not yet effective

The Australian Accounting Standards Board (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 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

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. A liability will be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. Meaning of settlement of a liability is also clarified.

AASB 2020-1 mandatorily applies to annual reporting periods beginning on or after 1 January 2024 (as amended by AASB 2022-6 and AASB 2020-6). The amendment will first be applied by the Group in the financial year commencing 1 July 2024.

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

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

Practice Statement 2 Making Materiality Judgements is also amended regarding assessing whether information about covenants is material for disclosure.

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICES CONTINUED

AASB 2022-6 also amends AASB 2020-1 by deferring the application date by 12 months. This amending standard mandatorily applies to annual reporting periods commencing on or after 1 January 2023 regarding the deferred application date of AASB 2020-1 and the remaining amendments to disclosures apply to annual reporting periods commencing on or after 1 January 2024. This amendment to disclosures will be first applied by the Group in the financial year commencing 1 July 2024.

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

AASB 2023-1: Amendments to Australian Accounting Standards – Supplier Finance Arrangements

AASB 2023-1 amends AASB 107 *Statement of Cash Flows* and AASB 7 *Financial Instruments: Disclosures* to require an entity to provide additional disclosures about its supplier finance arrangements. The additional information will enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cash flows and exposure to liquidity risk.

AASB 2023-1 mandatorily applies to annual reporting periods commencing on or after 1 January 2024 and will be first applied by the Group in the financial year commencing 1 July 2024.

(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.

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 2023 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 described in the accounting policies.

(b) 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

Critical accounting estimates, assumptions and judgements applied in this half year condensed consolidated financial report are consistent with those of the financial report for the prior period ended 30 June 2023 and should be read in conjunction with this financial report.

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NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 December 2023	31 December 2022
	\$	\$
Revenue recognised at a point in time	6,414,210	8,240,309
Revenue recognised over time	5,521,050	5,530,273
	11,935,259	13,770,582
Revenue from contracts with customers included within:		
Mining Services	7,945,025	8,240,309
People Services	3,990,235	5,530,273
	11,935,259	13,770,582

NOTE 4: 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, equipment maintenance and repairs, onsite field services 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.

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NOTE 4: SEGMENT INFORMATION CONTINUED

For The Half Year Ended 31 December 2023

	Mining Services	People Services	Corporate/ Unallocated	Total
	\$	\$	\$	\$
Segment revenue				
Total segment revenue and other income	8,132,608	3,990,882	21,066	12,144,555
Segment revenue from external source	8,132,608	3,990,882	21,066	12,144,555
Segment result				
Total segment result	503,951	(104,357)	(181,703)	217,891
Intersegment eliminations	1,570,475	290,478	(1,829,844)	31,109
Total profit/(loss) before income tax	2,074,426	186,121	(2,011,547)	249,000
<i>Items included within the segment result:</i>				
Interest income	-	-	1,097	1,097
Interest expense	137,112	-	66,530	203,642
Depreciation and amortisation expense	1,095,483	-	167,272	1,262,755
Income tax expense	-	-	140,428	140,428

For The Half Year Ended 31 December 2022

	Mining Services	People Services	Corporate/ Unallocated	Total
	\$	\$	\$	\$
Segment revenue				
Total segment revenue	8,262,086	5,516,273	38,323	13,816,682
Segment revenue from external source	8,262,086	5,516,273	38,323	13,816,682
Segment result				
Total segment result	(141,179)	276,569	83,989	219,379
Intersegment eliminations	1,657,635	351,849	(2,009,484)	-
Total profit/(loss) before income tax	1,516,456	628,418	(1,925,495)	219,379
<i>Items included within the segment result:</i>				
Interest income	-	-	3,323	3,323
Interest expense	93,640	-	-	93,640
Depreciation and amortisation expense	1,412,071	-	29,075	1,441,146
Income tax expense	-	-	107,304	107,304

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NOTE 4: SEGMENT INFORMATION CONTINUED

	Mining Services	People Services	Corporate/ Unallocated	Total
31 December 2023				
	\$	\$	\$	\$
Segment assets	21,834,965	2,736,415	11,542,958	36,114,338
Intersegment eliminations	(5,238,818)	(126,282)	(6,546,190)	(11,911,290)
Total Segment assets	<u>16,596,147</u>	<u>2,610,133</u>	<u>4,996,768</u>	<u>24,203,048</u>
Segment liabilities	17,333,982	2,057,617	4,049,730	23,441,329
Intersegment eliminations	(9,894,098)	(1,338,778)	(408,898)	(11,641,773)
Total Segment liabilities	<u>7,439,884</u>	<u>718,839</u>	<u>3,640,832</u>	<u>11,799,556</u>

	Mining Services	People Services	Corporate/ Unallocated	Total
31 December 2022				
	\$	\$	\$	\$
Segment assets	15,877,291	2,062,365	9,440,561	27,380,217
Intersegment eliminations	(1,616,394)	(84,525)	(2,161,533)	(3,862,452)
Total Segment assets	<u>14,260,897</u>	<u>1,977,840</u>	<u>7,279,028</u>	<u>23,517,765</u>
Segment liabilities	12,290,691	1,380,568	2,027,019	15,698,278
Intersegment eliminations	(2,426,002)	(448,522)	(684,775)	(3,559,299)
Total Segment liabilities	<u>9,864,689</u>	<u>932,046</u>	<u>1,342,244</u>	<u>12,138,979</u>

NOTE 5: PLANT AND EQUIPMENT

	31 December 2023	30 June 2023
	\$	\$
<i>Plant & equipment</i>		
At cost	8,898,556	10,533,493
Accumulated depreciation	(2,378,245)	(3,121,385)
	<u>6,520,311</u>	<u>7,412,108</u>
<i>Assets under construction</i>		
At cost	<u>733,618</u>	<u>274,342</u>
Total property, plant and equipment	<u>7,253,929</u>	<u>7,686,450</u>

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

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NOTE 6: INTANGIBLE ASSETS

	31 December 2023	30 June 2023
	\$	\$
<i>Goodwill</i>		
At cost	1,964,360	1,964,360
	<u>1,964,360</u>	<u>1,964,360</u>
<i>Trademarks, patents and designs</i>		
At cost	692,617	611,308
Accumulated amortisation	(46,739)	(33,441)
	<u>645,878</u>	<u>577,867</u>
<i>Capitalised internal software costs</i>		
At cost	429,334	427,271
Accumulated amortisation	(91,465)	(53,558)
	<u>337,869</u>	<u>373,713</u>
<i>Capitalised development costs</i>		
At cost	1,978,082	1,562,983
Accumulated amortisation	(153,140)	(91,884)
	<u>1,824,942</u>	<u>1,471,099</u>
Total intangible assets	<u><u>4,773,049</u></u>	<u><u>4,387,039</u></u>

NOTE 7: BORROWINGS

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
<i>Secured by fixed and floating charge:</i>		
- Asset finance facilities	1,114,539	1,516,289
- Long-term bank loan	699,996	699,996
<i>sub-total</i>	<u>1,814,535</u>	<u>2,216,285</u>
NON-CURRENT		
<i>Secured by fixed and floating charge:</i>		
- Asset finance facilities	1,813,844	2,585,517
- Long-term bank loan, net of current maturities	1,583,350	1,933,348
<i>sub-total</i>	<u>3,397,194</u>	<u>4,518,865</u>
TOTAL	<u><u>5,211,729</u></u>	<u><u>6,735,150</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. The Group's asset finance facility includes a limit of up to \$7.5 million.

Asset finance facilities bear fixed interest at an average rate of ~5% per annum and are primarily payable over 1 to 5 year terms. No assets were financed during the half year.

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NOTE 7: BORROWINGS CONTINUED

Long-term bank loan

The Group secured long-term bank loans with a major bank in order to fund its acquisitions of the Maglok Australia business and Cybem Services business in the financial year ended 30 June 2022. The loan bears a floating interest rate in line with the business lending rate offered by the major bank, plus a margin of 2.15%.

The loans are an amortising term debt facility which has a re-draw function. The loan principal is repayable in equal quarterly instalments of \$175,000.

As described above, these loans are also secured by a general security agreement over the Group's existing and future assets.

NOTE 8: SHARE BASED PAYMENTS

(a) Share based payment reserve

(i) Nature and purpose of reserve

The Share-based payment reserve is used to recognise the value of equity settled share-based payment arrangements. At balance date these include options, performance rights and employee share scheme (ESS).

(ii) Movements in reserve

	31 December 2023	31 December 2022
Balance at beginning of year	\$ 593,232	\$ 372,296
Recognition of ESS	23,000	-
Recognition of unvested performance rights	146,282	104,866
Balance at end of year	762,514	477,162

(b) Performance Rights

Executive performance rights

The reserve includes the recognition of unvested performance rights for ordinary shares related to the Executive Directors and key management personnel long term incentive (LTI) program. Vesting of the performance rights are dependent upon the satisfaction of the performance hurdles vesting conditions. The above represents the maximum amount of performance rights attainable.

1,481,343 of the below performance rights were offered to executives, and 2,103,923 of the below performance rights were offered to executive directors of the Group. These performance rights were issued on 18 January 2024.

Date performance rights issued	Number of performance rights granted	Date of performance rights grant	Date of vesting of performance rights
10 February 2023	1,986,546	10 November 2022	30 June 2025
18 January 2024	3,585,266	19 October 2023	30 June 2026

NOTE 8: SHARE BASED PAYMENTS CONTINUED

Vesting of the performance rights are dependent upon the satisfaction of the performance hurdles vesting conditions. The above represents the maximum amount of performance rights attainable.

Performance rights issued 18 January 2024

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 2023 and ending on 30 June 2026.

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 2023 – 30 June 2026) ("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 \$257,754 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 \$0.1740000).

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 2023, the Group believe it is more probable than not that at least 50% of tranches of performance rights vest at the end of the 3 year vesting period.

A total of \$57,260 has been recognised as a share based payment expense in the statement of profit or loss and other comprehensive income, and the share based payments reserve at 31 December 2023 in relation to the above instruments issued to executives of the Group.

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NOTE 8: SHARE BASED PAYMENTS CONTINUED

Director Performance Rights

As approved by shareholders at the Group's AGM held on 19 October 2023, Mr David Kelly (Managing Director) and Mr Gregory Patching (Executive Director) were offered 1,200,939 and 902,984 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 on 18 January 2024.

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.

The maximum value of the performance rights offered to Mr David Kelly was \$208,963 representing 60% of his FAR. The maximum value of the performance rights offered to Mr Gregory Patching was \$157,119 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 \$0.1740000).

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 2023, the Group believe it is more probable than not that at least 50% of tranches of performance rights vest at the end of the 3 year vesting period.

A total of \$89,022 has been recognised as a share based payment expense in the statement of profit or loss and other comprehensive income, and the share based payments reserve at 31 December 2023 in relation to the above instruments issued to Directors of the Group.

NOTE 9: INTERESTS IN SUBSIDIARIES

Subsidiaries of the group	Country of incorporation	Ownership interest held by the group	
		31 December 2023	30 June 2023
		%	%
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
Cybem Services Pty Ltd	Australia	100	100
Aquirian Technology Pty Ltd	Australia	100	100
Western Energetics Pty Ltd*	Australia	100	-
Wubin Facility Pty Ltd*	Australia	100	-

* Incorporated for the purposes of acquiring 100% of the Wubin Emulsion Plant and related assets, as announced to the ASX on 19 October 2023.

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NOTE 10: FAIR VALUE MEASUREMENT

Unless otherwise stated, the carrying amounts of financial instruments approximate their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

Refer to the Group annual financial report for the year ended 30 June 2023 for further information.

NOTE 11: RELATED PARTY TRANSACTIONS

During the half year ended 31 December 2023, a number of performance rights were issued or offered to key management personnel.

Performance rights approved for issue by shareholders of Aquirian Limited at the most recent Annual General Meeting held on 19 October 2023 were issued subsequent to the half year end on the 18 January 2024.

Other than outlined within Note 9, there were no other transactions entered into with Directors, key management personnel or their respective related parties during the half year ended 31 December 2023.

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 31 December 2023 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.

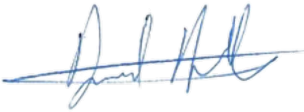
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DIRECTORS DECLARATION

The Directors declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 6 to 20, 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 2023 and its performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
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
27 February 2024

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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 condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of 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 the Company does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 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* ("ASRE 2410"). 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 review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 2023 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*.

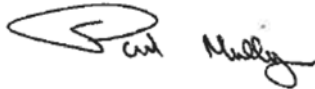
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

AQUIRIAN LIMITED
ABN 23 634 457 506

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AQUIRIAN LIMITED

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 27 February 2024

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