

MARKET UPDATE FOR QUARTER ENDED 31 DECEMBER 2022

BauMart Holdings Limited (ASX: BMH) ("BauMart" or the "Company") is pleased to present its quarterly cash report and operational update to 31 December 2022.

Group Results and Commentary on Appendix 4C

- Executive Director Matthew Logan stepped down from his role on completion of the sale of Eco Pallets Pty Ltd, to focus on other business commitments.
- The Company continued to progress forward purchasing of mining consumables, resulting in negative net operating cashflows for the quarter at \$639K.
- Payments to Related Parties of the Company and their associates comprised executive director salaries and non-executive directors' fees of approx. \$42K.
- At 31 December 2022, the Company had \$141K cash at bank and \$86K in available trade finance facilities.
- Company expenditure for the quarter has reduced after the divestment of its Eco Pallets' business division, with the exception of increased forward purchasing of mining inventories.

Source & Procure Division

- The Company has continued to increase consignment stock for the mining supplies project based on forward projections from the client company, and has completed the second and third round of purchases.
- In addition to mining consumable supplies, the Company has progressed discussions for the next round of mining equipment orders.

Other Activities

- The Company re-evaluated efforts to distribute the Washpod product, with an aim of capturing a project-based recurring income stream in the current financial year.
- The Company continued to evaluate opportunities within its network, in particular potential projects for its source and procure division.

This announcement was authorised by the Board of BauMart Holdings Limited.

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About BauMart Holdings Limited

BauMart Holdings Limited (ASX: BMH) is an Australian public company listed on the Australian Securities Exchange. The origins of the Company began with securing distribution partnerships with suppliers of building materials and its investment and leasing of automated glass-processing equipment. Since its listing in June 2015, the Company has diversified its business across a broad range of divisions including, but not limited to:

- supply of industrial and building products, including premium volcanic natural stones;
- sourcing, procurement and end-to-end supply chain services; and
- managed services.

Headquartered in Perth, the Company has a far-reaching presence and a robust network of suppliers and infrastructure that is positioned for growth for its sourcing and procurement services.

Appendix 4C

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

Name of entity
BAUMART HOLDINGS LIMITED
ABN
87 602 638 531
Quarter ended ("current quarter")
31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	362	739
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(2)	(2)
(d) leased assets	-	-
(e) staff costs	(63)	(145)
(f) administration and corporate costs	(97)	(199)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3)	(9)
1.6 Income taxes paid	(5)	(5)
1.7 Government grants and tax incentives	-	3
1.8 Other (provide details if material) ¹	(831)	(1,478)
1.9 Net cash from / (used in) operating activities	(639)	(1,096)

1. Payments for inventory, lease payment obligations and other general working capital

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments ¹	525	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	986
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	525	986

1. Refund payment received in December 2022 quarter

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Loans and borrowings	213	213
3.6	Repayment of borrowings	(102)	(200)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	111	13

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	145	237
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(639)	(1,096)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	525	986

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	111	13
4.5	Effect of movement in exchange rates on cash held	(1)	1
4.6	Cash and cash equivalents at end of period	141	141

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	141	145
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	141	145

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 ¹	42
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

1. Director's fees, salaries, and superannuation paid.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements ¹	250	214
7.3	Other (please specify) ²	50	-
7.4	Total financing facilities	300	214
7.5	Unused financing facilities available at quarter end		86
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>1. Trade Refinance Facility</p> <ul style="list-style-type: none"> - Lender: NAB - Interest Rate: 4.68% - Maturity: 31 May 2023 - Secured <p>2. Bank Overdraft</p> <ul style="list-style-type: none"> - Lender: NAB - Interest Rate: 11% - Secured 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(639)
8.2	Cash and cash equivalents at quarter end (item 4.6)	141
8.3	Unused finance facilities available at quarter end (item 7.5)	86
8.4	Total available funding (item 8.2 + item 8.3)	227
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.35
	<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: Yes it does, as there will be no significant changes to operating expenditure moving forward.	

- 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: No, it does not have plans to raise further cash at this stage. The Directors closely monitor cashflows and have access to debt and equity funding if required.

The Company has existing placement capacity under Listing Rules 7.1 and 7.1A and the Directors are confident that sufficient funds can be raised based on previous capital raising experience. Additionally, the Directors will seek to ensure that funding is accessed at appropriate valuations.

- 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: It does as the current activities and expected cash inflows are supporting the current and planned operations.

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

Compliance statement

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

Date: 31 January 2023

Authorised for release by the Board of BauMart Holdings Limited

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.