

## MARKET UPDATE FOR QUARTER ENDED 31 MARCH 2023

**BauMart Holdings Limited (ASX: BMH)** (“BauMart” or the “Company”) is pleased to present its quarterly cash report and operational update to 31 March 2023.

### Group Results and Commentary on Appendix 4C

- On 20 February 2023 Mr Hadi Widayat was appointed as an Executive Director of the Company (refer ASX announcement dated 20 February 2023).
- During the quarter, the Company received \$147K R&D tax refund and as of 31 March 2023 had \$189K cash at bank.
- Payments to Related Parties of the Company and their associates comprised executive director salaries and non-executive directors’ fees of approx. \$39K during the quarter.
- Company expenditure for the quarter has continued to reduce after the divestment of its materials handling business division, with corporate and administration costs down from \$97K in the December quarter to \$59K in the current March quarter.
- Subsequent to quarter end, Ben Talbot transitioned to the role of non-executive director, in line with the Board’s program to reduce corporate overheads (refer ASX announcement dated 31 March 2023), and the lease in respect of the Company’s sublet premises in Smithfield, New South Wales ceased on 18 April 2023, resulting in a further reduction of lease payment obligations and other administrative costs.

### Source & Procure Division

- The Company has invested significant resources during the quarter towards identifying and establishing new business relationships with overseas suppliers.
- Management has carefully assessed the necessary technical specifications for an anticipated future order of mining equipment.
- The Company continues to explore appropriate strategies to expand its network and broaden the division’s customer base.

### Other Activities

- Management continued to review its distribution strategy for the Washpod product and is currently exploring a number of potential opportunities within its network, including efforts to increase existing rental income from the number of Washpods currently in distribution.
- Other efforts include evaluation of new opportunities for its projects arm of the business.

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

#### For further information, please contact:

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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:

- sourcing, procurement and end-to-end supply chain services;
- supply and distribution of industrial products, including the Washpod product; and
- other managed services.

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

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## 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 MARCH 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	272	1,012
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2)	(2)
(c) advertising and marketing	(1)	(4)
(d) leased assets	-	-
(e) staff costs	(39)	(183)
(f) administration and corporate costs	(59)	(259)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(12)
1.6 Income taxes paid	7	3
1.7 Government grants and tax incentives <sup>1</sup>	147	150
1.8 Other (provide details if material) <sup>2</sup>	(328)	(1,806)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5)</b>	<b>(1,101)</b>

1. Receipt of R&D tax refund of \$147K received during the quarter.

2. Outflows of \$328K in the March quarter are comprised of:

- (i) property lease payments totalling \$327K; and
- (ii) deposit paid for mining consumable inventory of \$1K.

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

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>986</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	98	311
3.6	Repayment of borrowings	(45)	(245)
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>53</b>	<b>66</b>

<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	141	237
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5)	(1,101)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	986

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	53	66
4.5	Effect of movement in exchange rates on cash held	-	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>189</b>	<b>189</b>

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	189	141
5.2	Call deposits	-	-
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>189</b>	<b>141</b>

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 <sup>1</sup>	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

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

<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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements <sup>1</sup>	250	249
7.3 Other (please specify) <sup>2</sup>	50	-
<b>7.4 Total financing facilities</b>	<b>300</b>	<b>249</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>51</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>1. Trade Refinance Facility</p> <ul style="list-style-type: none"> <li>- Lender: NAB</li> <li>- Interest Rate: 10% p.a. (base rate of 4.68% plus variable)</li> <li>- Maturity: 31 May 2023</li> <li>- Secured</li> <li>- The Company has progressed discussions with NAB for a renewal of the facility and an increase to the amount of the facility</li> </ul> <p>2. Bank Overdraft</p> <ul style="list-style-type: none"> <li>- Lender: NAB</li> <li>- Interest Rate: 11.5% p.a.</li> <li>- Secured</li> </ul>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(5)
8.2 Cash and cash equivalents at quarter end (item 4.6)	189
8.3 Unused finance facilities available at quarter end (item 7.5)	1
8.4 Total available funding (item 8.2 + item 8.3)	190
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>38</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: The entity provides the following information in support of its current operations:</p> <p style="text-align: center;"><i>Yes, the entity notes that the above estimates do not include any sales receipts for the next quarter. The entity has approximately \$1 million of trade receivables which it expects to recover in full. The entity expects more revenue incoming from its supply of mining consumables and notes that a number of these consumables were forward purchased in the September 2022 and December 2022 quarters.</i></p>	

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- 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, however the entity notes that it has full capacity under Listing Rules 7.1 and 7.1A to conduct a capital raising if that is required. The Board continues to closely monitor cash flows as well as new revenue opportunities to ensure that the entity can continue to pursue its business objectives.*

- 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: *Yes, the entity's source and procure division has a healthy forward orders pipeline for its mining consumables project and is also in discussions for a potential order of mining equipment. Presently, management is also exploring rental and other distribution opportunities for its Washpod product.*

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: 28 April 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.