

## Quarterly Activity Report & Appendix 4C 4QFY2021

30 July 2021



# Quarterly Update

## Highlights

Positive quarterly cash flow of \$302,000.

Debt reduction of \$1,350,000 during the quarter, term debt facility to be paid to zero balance by 30 September 2022.

Total term debt at 30 June 2021 reduced to \$1,500,000.

Hastings Terminal Expansion project tracking ahead of budget and final completion schedule.

TSF Power engine parts sales continued to increase as customers benefit value for money offering. Multi-year NBN power systems maintenance contract renewed for all Australian sites.

FY21 earnings guidance. Revenue \$57 - 60M, EBITDA \$5.3 - 5.8M.

## GENERAL BUSINESS

The last quarter of FY21 saw business operating conditions continue to rebuild following the disruption of COVID 19 working constraints, current lockdowns in NSW, and Kuala Lumpur are being managed effectively with resources redeployed elsewhere in the business where possible. Capital expenditure commitments and maintenance expenditure across the liquid fuels, construction sector and gas energy sector are now forecast to grow in the current and upcoming financial years following a period of constraint in 2020.

## BROCKMAN ENGINEERING

Brockman is currently delivering five tank design and construction projects, the largest of these being the Hastings Terminal Expansion project for United Petroleum. In addition to delivering new tank projects, our workshop in Geelong continues to be at a high level of activity supporting the Viva Geelong refinery shutdown maintenance event and also supporting our construction projects with fabricated items. The workshop is expected to remain at the current high levels of activity for a further quarter.

Brockman are the selected preferred contractor on three tank new build projects in the liquid fuels and chemical process sectors (cumulative expected contracted value \$17M) which are expected to convert in Q1FY22.

# Quarterly Update

Larger tank project opportunities are expected to increase significantly during the remainder of FY22 as a result of the recently released Federal Government “Boosting Australia’s Diesel Storage Program” (BADSP) grant allocations to major industry players across Australia. Brockman is well positioned to secure additional large contract wins during FY22 from this grant funding scheme.

## SYFON SYSTEMS

Syfon Systems continued to deliver consistent results during the quarter and the financial year to date. Outlook remains positive for FY22.

Work in hand remains at historically high levels supporting growth in future periods. Recent success in securing new projects in South Korea, Vietnam and Malaysia provides a positive forward outlook based on an internationally diversified project portfolio for FY22.



*Tun Razak Exchange Project, Kuala Lumpur*



# Quarterly Update



Melbourne Water Bald Hill, Kalkallo Reservoir

## **TSF POWER**

TSF Power service workload and parts sales have grown in recent months with the improvement of global supply chain logistics and continuing customer demand for our technical support and our value for money offering.

The recent renewal of the NBN power systems maintenance multi year contract for all Australian NBN sites supports our business strategy of delivering value across the power generation sector.

## **BALANCE SHEET**

The group returned a healthy positive operating cash flow of \$302,000 during the quarter, and made term debt reductions of \$1,350,000. Term debt has now reduced to \$1,500,000.

A further banking facility extension to enable the term debt facility to be paid out to zero balance by 30 September 2022 was finalised and executed during the quarter.

# Appendix 4C

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

Name of entity

EVZ Limited

ABN

87 010 550 357

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	12,232	60,268
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,203)	(21,098)
(c) advertising and marketing	(27)	(224)
(d) leased assets	(50)	(295)
(e) staff costs	(8,006)	(29,835)
(f) administration and corporate costs	(2,523)	(10,146)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(115)	(485)
1.6 Income taxes paid	(7)	(23)
1.7 Government grants & tax incentives		3,530
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>302</b>	<b>1,693</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire of for:		
(a) entities		
(b) businesses		
(c) property plant and equipment	(302)	(766)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(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>(302)</b>	<b>(766)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issue of equity securities (excluding convertible debt securities)		
3.2	Proceeds from 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	Proceeds from borrowings		
3.6	Repayment of borrowings	(1,350)	(2,837)
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>(1,350)</b>	<b>(2,837)</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	5,310	5,870
4.2	Net cash from / (used in) operating activities (item 2.6 above)	302	1,693
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(302)	(766)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,350)	(2,837)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,960	3,960

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	3,960	5,310
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should be equal to item 4.6 above)	3,960	5,310

6.	Payments to related entities of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1	
6.2	Aggregate amount of cash flow from loans to these parties 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>		

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	1,500	1,500
7.2	Credit standby arrangements		
7.3	Other (Bank Guarantee Facility )	5,000	4,874
7.4	<b>Total financing facilities</b>	<b>6,500</b>	<b>6,374</b>
7.5	<b>Unused financing facilities available at quarter end</b>	<b>126</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 entering into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The above secured loan and bank guarantee facilities are provided by the Commonwealth Bank of Australia. The interest rate on the term loan is 3.75% plus the variable bank bill rate. The interest rate on the bank guarantee facility is 3.5% on drawn balance. The current facility agreement expires on 31 October 2022.			

<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)	302
8.2 Cash and cash equivalent at quarter end (item 4.6)	3,960
8.3 Unused finance facilities available at quarter end (item 7.5)	126
8.4 Total available funding (item 8.2 + item 8.3)	4,086
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive net operating cash flow 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 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 meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: Where item 8.5 is less than 2 quarters, all questions, 8.6.1, 8.6.2 and 8.6.3 must be answered.</i>	



## Compliance statement

1. This statement has been prepared in accordance with the 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: 30 July 2021

Authorised by: Pieter van der Wal

### 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.

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