



## Quarterly Activity Report & Appendix 4C 4QFY2023

30 June 2023



# Quarterly Update

## Key Highlights

- Cash receipts of \$32.3M for the quarter up 15% from previous quarter and up 28% on the previous corresponding period.
- A net cash outflow of \$4.6M driven by the release of prepayments to suppliers and the final settlement payment for the asset purchase at Tank Industries.
- Operating net cash inflow of \$1.4M for the financial year.
- Cash balance of \$9.3M with zero drawn debt at the end of the financial year.
- EVZ continues to secure new contract wins across all businesses and maintains a solid contracted backlog position of circa \$80M.
- Market outlook remains positive across the Australian and Asian geographies providing further growth opportunities across our end market sectors of Energy and Resources, and Building Products.

## GENERAL BUSINESS

EVZ has delivered a strong financial and operating performance, with cash receipts up 28% on the previous corresponding period.

During the quarter the group secured a number of new contract appointments to maintain our momentum and continues to build a diversified project portfolio across all our industry sectors and geographies.

The group continues to seek out new organic growth business opportunities and new business acquisitions to expand our market share in our two end markets, the Energy & Resources sector and the Building Products sector.

## BROCKMAN ENGINEERING

The Brockman business is currently delivering the largest project in the group, the Viva Energy Strategic Storage project, which is located adjacent to the Viva Refinery in Corio, Geelong. The project recently achieved a milestone to complete the three tank shells allowing the next stage of the aluminium geodesic dome roofs to commence. The project is currently being managed in accordance with the budget and schedule, the contract value currently exceeds \$50M.

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Brockman is also currently delivering a number of large steel water reservoirs for water authorities in NSW and Victoria in addition to several liquid fuel tanks. The business continues to build a diversified project portfolio and selectively expand the maintenance and operations support offering to improve the consistency of revenue and earnings contribution.

Tendering activity during the quarter remained high as industries aligned with our market segments continued to invest in new energy and water infrastructure.



Kalkallo Water Reservoir, Melbourne – Brockman Engineering

## SYFON SYSTEMS

Syfon Systems is benefitting from the buoyant market conditions in the Building Products sector delivering another strong performance in 4QFY23. Outlook in the Building Products sector remains strongly positive for FY24 which is supported by the historically high contracted backlog and current high tendering activity levels.

Syfon Asia is progressively returning to full operating capacity tracking the increasing demand for our services for new large social infrastructure and building developments in Malaysia, Indonesia and Vietnam. Our strategic partnership with Rucika in the Indonesian market is forecast to benefit from the increasing need for new built infrastructure over the next decade to form a significant part of our Asian business.

## TANK INDUSTRIES

The Tank Industries business has been earnings accretive since acquisition, the business is currently aligning back office operations and business strategy with Syfon to maximise our market penetration and improve the operational performance. The suite of tank products are currently undergoing a value engineering phase to improve their market appeal for a wider client base.

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Landfill Gas to Power Generation Facility, Western Sydney – TSF Power

## TSF POWER

The TSF Power technical service operational support and power generation parts sales continue to grow and expand as we attract a wider customer base. Our services are in continuous demand as the use of renewable gas as an energy source rises in line with market demands for a lower carbon future in the transition to net zero.

Customer demand for our technical support and our value added offering has risen across all four of our operating segments: gas engine service and maintenance, gas engine spare parts sales, gas engine replacement and renewal, and standby power plant maintenance.

TSF Power is consistently pursuing new long term parts sale agreements and long-term operations support contracts with additional large institutional and waste management entities in Australia and New Zealand.

## BALANCE SHEET AND CASH FLOW

EVZ reported an operating net cash inflow for the fiscal year of \$1.4M. The June quarter recorded a net cash outflow of \$4.6M driven by release of project prepayments to our suppliers and the final asset settlement payment for Tank Industries. The Company has \$9.3M in cash with zero drawn debt.

During the quarter, payments to related parties and their associates totalled \$52k. These related party payments consisted of consulting fees paid for non-executive Director related services. All payments were on normal commercial terms.

# Appendix 4C

Name of entity

EVZ Limited

ABN

87 010 550 357

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	32,257	117,610
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(20,083)	(57,260)
	(c) advertising and marketing	(13)	(206)
	(d) leased assets	(1,313)	(2,414)
	(e) staff costs	(11,619)	(42,668)
	(f) administration and corporate costs	(3,829)	(13,362)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	33	104
1.5	Interest and other costs of finance paid	(53)	(298)
1.6	Income taxes paid	(9)	(92)
1.7	Government grants & tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	<b>Net cash from/(used) operating activities</b>	<b>(4,629)</b>	<b>1,414</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire of for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property plant and equipment	471	(1,905)
	(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)		
2.6	<b>Net cash from /(used) investing activities</b>	<b>471</b>	<b>(1,905)</b>
3.	Cash flows from financing activities		
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 ( <i>New Leases</i> )	10	1,126
3.6	Repayment of borrowings ( <i>Loan</i> )	-	(300)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from /(used) financing activities</b>	<b>10</b>	<b>826</b>
4.	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13,416	8,933
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,629)	1,414
4.3	Net cash from / (used in) investing activities (item 2.6 above)	471	(1,905)
4.4	Net cash from / (used) financing activities (item 3.10 above)	10	826

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 period	9,268	9,268

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	9,268	13,416
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)	9,268	13,416

6.	Payments to related entities of the entity and the associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1	52
6.2	Aggregate amount of cash flow from loans to these parties 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.

<b>7.</b>	<b>Financing facilities</b> 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.	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Bank Guarantee Facility )	7,000	4,549
<b>7.4</b>	<b>Total financing facilities</b>	<b>7,000</b>	<b>4,549</b>
<b>7.5</b>	<b>Unused financing facilities available at quarter end</b>		<b>2,451</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 interest rate on the bank guarantee facility is 3.5%. The bank guarantee facility is reviewed annually.		

<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)	(4,629)
8.2	Cash and cash equivalent at quarter end (item 4.6)	9,268
8.3	Unused finance facilities available at quarter end (item 7.5)	2,451
8.4	Total available funding (item 8.2 + item 8.3)	11,719
<b>8.5</b>	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.5</b>
	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	
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	
	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.	



# 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: 28 July 2023

Authorised by: By the EVZ Limited Board

## 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.

