



Friday, 31 October 2022

ASX Announcement
 (ASX: ERG)

Quarterly Activity Report to 30 September 2022

Eneco Refresh Ltd (Eneco) is pleased to provide a review for the first quarter ending September 2022.

We are excited to report strong revenue growth throughout the first quarter with an improvement of 15% compared to the same period last year. NSW has shown great improvement with our custom labelled bottled business delivering impressive growth for the state against previous year. WA has proven to be a solid performer with a growth year on year of 15%. Total revenue for the quarter by Cash Generating Units (CGU) compared to the same period last financial year are as follows:

<u>Cash Generating Units</u>	<u>July 22 –</u>	<u>July 21 –</u>	<u>Variance</u>
	<u>Sept 22</u>	<u>Sept 21</u>	
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Western Australia (WA)	883	767	15%
New South Wales (NSW)	654	367	78%
Victoria (VIC)	367	383	-4%
Northern Territory (NT)	462	370	25%
Queensland (QLD)	<u>604</u>	<u>538</u>	12%
Refresh Waters	2,970	2,425	22%
Refresh Plastics	<u>588</u>	<u>660</u>	-11%
Total	<u>3,558</u>	<u>3,085</u>	15%

A major contributing factor to the negative cash flow for the quarter was the prepayment of the Group's annual insurance premiums of \$277,467. As this is a one-time payment per year this will not be reflected in the remaining quarters cash flow results. A summary of expenditure incurred compared to the previous quarter is as follows.

	<u>Sept Quarter</u>	<u>June Quarter</u>
	<i>\$'000</i>	<i>\$'000</i>
Product manufacturing and operating costs	2,864	2,088
Advertising and marketing	199	157
Leased premises	243	268
Staff costs *	787	844
Purchase of plant and equipment	-14	18

* Includes \$76k paid as director fees and salaries



Eneco continues to manufacture at 7 bottled water factories across Australia and 1 plastics factory in Melbourne.

Refresh Waters

Refresh Waters' sales increased by an impressive 22% compared to the same period last year.

NSW has performed very well, with an increase of 78% compared to the same period last year. The custom labelled bottled water division is the star performer this quarter as we are seeing strong interest in this unique and niche business as more companies utilise this type of product to promote their brands.

WA had strong growth of 15%, with increases to the mining sector.

Victoria was a soft and we see this mainly because of the poor weather and are hopeful of a good recovery throughout summer.

The NT business unit had a particularly busy period and delivered a 25% growth on same period last year. A main contributor was our participation in supporting the joint military exercise Pitch Black, a military exercise involving 17 countries.

Qld continues to deliver growth with Woolworths our major account contributing well to the revenue growth there.

The business remains challenged in its operating costs, which have increased considerably over last year and have impacted the bottom-line result. We believe the strong revenue growth performance is encouraging and remain focussed on delivering growth and driving down our unit costs.

Refresh Plastics

As mentioned in previous announcements, our relationship with Dolium of Belgium in the one-way plastic keg market has started and our first consignment is due to arrive in November 2022. We see growth opportunities in this area as key competitors have struggled to keep product supplied over the last few years to the Australian market. The plastics business overall for the quarter was down 11% against the same period last year however, we remain focussed on delivering improved results in this segment of our business in the future.

This announcement was authorised for release by Henry Heng, Managing Director.

For more information, please contact:

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Page 2

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Appendix 4C

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

Name of entity

Eneco Refresh Limited

ABN

28 079 681 244

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,561	3,561
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,864)	(2,864)
(c) advertising and marketing	(199)	(199)
(d) leased assets	(243)	(243)
(e) staff costs	(787)	(787)
(f) administration and corporate costs		
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(530)	(530)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	14	14
(d) investments		
(e) intellectual property		
(f) other non-current assets		
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 Net cash from / (used in) investing activities	14	14
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 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (AASB16 adjustments and depreciation)		
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,283	1,283
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(530)	(530)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14	14
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	767	767

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	367	402
5.2 Call deposits	400	881
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)	767	1,283

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	76
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>	

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	0	0
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	0	0
7.5 Unused financing facilities available at quarter end		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(530)
8.2 Cash and cash equivalents at quarter end (item 4.6)	767
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	767
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.4
<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: Operating cash flow includes payment of insurance premiums for the full year amounting to \$277,467. Subsequent quarters' cash flow is expected to be much better.	
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 steps have been taken. The company has no borrowings. It owns 2 properties carried in our books at \$3.8 million. If necessary this could be used to raise finance, or sold if required.	
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 is in a seasonal business where bottled water sales are higher in summer than winter	
<i>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.</i>	

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 October 2022



Authorised by: Henry Heng, Managing Director
(Name of body or officer authorising release – see note 4)

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.