



ASX Announcement

27th July 2023

June 2023 – Quarterly Activity Report

The Original Juice Co. Ltd (**Company**) is pleased to update the market on activity levels for the quarter ended 30 June 2023.

Highlights

- **Record Q4 sales with gross revenue of \$14.5m, increase of 31% on Q4 June 2022.**
- **Cash receipts from customers of \$12.1m during the quarter, cash balance of \$1.6m as at 30 June 2023.**
- **\$2.0m operating cashflow improvement in FY23 as compared to FY22.**
- **Additional financing received from the National Australia Bank of \$3.5m, providing long-term funding to cover \$2.4m to support working capital requirements and the remaining \$1.1m an asset financing facility.**
- **Mr. Adam Brooks appointed as Independent Director**

Activities during Q4 of FY2023

The Company ended the quarter with a cash balance of \$1.6m. Quarterly operating cash inflow for the period was \$0.1m, with the annual operating cash outflow for the financial year ending 30 June 2023 of \$0.1m. This delivers a full year cashflow improvement of \$2.0m as compared to the financial year ended 30 June 2022.

Manufacturing and operating expenditure of \$7.4m for the quarter was in line with expectations and in line with the previous quarter.

Advertising and marketing expenditure for the quarter included launching the new Original Juice Co. Ltd corporate website (www.ojcltd.com.au), rebranding of company assets, and production of video content to promote the company's ongoing partnerships with Australian growers.

The payments made during the quarter for research and development reflect the time and effort invested in creating and formulating future products.

Payments to related parties during the quarter

In accordance with Listing Rule 4.7C.3, and as noted in section 6 of the Appendix 4C Cashflow Statement, during the March 2023 quarter the aggregated number of payments made to related parties and their associates totaled \$109k, comprising directors fees.

Q4 – Upward step change in revenues

Strong revenue growth continued in Q4 FY23, with revenue up 31% on prior comparative period to \$14.5m. This result demonstrates positive outcomes from continued investment in new product development, growth in branded products, expanded ranging in supermarkets, and additional private label offerings across Aldi and Woolworths.

Brand update

Juice Lab range

- Shots remain market leading and continue to improve market share, now capturing 84% of grocery market share **(IRI data)**¹.
- New product development in this category is progressing well and we expect to expand the range with exciting new flavours during the first quarter of FY24.

Original Juice Company range

- Original Black Label range delivered growth of 7.4% in the quarter, exceeding category growth of 4.6%.

Private Label and Industrial Sales

- In the quarter we received a continued commitment from Woolworths to deliver private label products for a further 12 months. As part of our ongoing relationship with Woolworths and Aldi, we are partnering to deliver sustainability commitments regarding packaging and sourcing for the future.
- OJC continues to pursue new distribution channels with expectations to enter the petrol and convenience channel in the first half of FY24.

Export range

- As announced to the market on 12 May 2023, agreements have now been finalised for the export of orange and apple juice sku's into Aldi China, with additional distribution through partners in China and Malaysia. The first shipments of export juice will occur in the first quarter of FY24.

The Original Juice Co. Ltd CEO, Steven Cail, commented:

“This is a very positive update. The business has seen a significant step change in growth in 2023, as the business continues to go from strength to strength with consistent double-digit growth. \$14.5m gross revenue in Q4 is a glimpse into our new baseline sales, and this is a result of the efforts of the team to innovate new products, strengthen our retail partnerships, and fundamentally improve the value chain from start to finish. We are extremely excited to continue this trajectory and grow with our retail partners and suppliers to increasingly provide consumers with high quality sustainable products affordable to Australian families.”

¹ Source data- IRI Australia data Total Grocery MAT dollars to 18/06/2023

The growth hasn't come at the cost of profitability, as our margins continue to improve with both OJC branded volumes and Juice Lab volumes growing significantly. Our continued focus on sourcing Australian fruit and producing 100% freshly squeezed juice into bottle, has given us a competitive advantage from both a health and cost perspective, with the cost of concentrate and in particular imported concentrate increasing significantly in the quarter and into the future. These cost pressures are driving up price in competitors offerings, which we hope will lead to consumers making the switch to our Original Black Label Australian grown and made juice.

Our operating cash remains positive, which is a strong result, considering the stress that quick growth applies to cash. These issues are in the form of raw material investment and teething impacts on efficiencies to readjust the production, freight and materials to accommodate growth.

The continued success of the Juice Lab brand and in particular glass shot skus, has led to our investment in a glass bottling line. This line was commissioned in June and will drive margin increase on our products in the upcoming year, whilst providing greater flexibility and capability from our bottling facility in Mill Park.

Our total business transformation continued in Q4 with our name change to 'The Original Juice Co. Limited', as we established a new website inviting consumers and investors to go online to understand more about our great history and to discover more of our healthy product offerings. From a board perspective our corporate governance and experience continued to strengthen with the appointment of Mr. Adam Brooks. Adam provides expert experience in commercial legal matters.

Whilst the climate remains volatile for manufacturing regarding supply, labour and logistics, operationally the business has maintained strong service levels whilst operating in a safe environment. We have record volumes leaving our production facility proving the business foundations are well positioned to provide a great launch pad to continue growth and profitability."

This announcement was authorised by the Company's Board of Directors.

For more information, please contact:

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About The Original Juice Co. Limited

The Original Juice Co. Limited (ASX: OJC) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits and fruit waters that are sold as branded products or ingredients to customers domestically and overseas.

OJC uses a range of processing technologies, including Counter Current Extraction (CCE) technology which was developed in conjunction with Australia's CSIRO to extract juice from fruit and vegetables. Its processing facilities are located in Mill Park, Victoria.

OJC is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australian and key international markets, including China.

Appendix 4C

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

Name of entity

The Original Juice Co. LTD

ABN

20 150 015 446

Quarter ended ("current quarter")

30 Jun 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	12,125	42,002
1.2 Payments for	-	
(a) research and development	-141	-572
(b) product manufacturing and operating costs	-7,353	-28,158
(c) advertising and marketing	-198	-479
(d) leased assets	-298	-1,093
(e) staff costs	-3,349	-10,406
(f) administration and corporate costs	-402	-936
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-281	-507
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	103	-149
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-253	-814
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(e) intellectual property	-10	-96
(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	-263	-910

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	790	790
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	-8	-8
3.5 Proceeds from borrowings	494	2,231
3.6 Repayment of borrowings	-325	-1,300
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	951	1,713

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	773	910
4.2	Net cash from / (used in) operating activities (item 1.9 above)	103	-149
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-263	-910
4.4	Net cash from / (used in) financing activities (item 3.10 above)	951	1,713
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,564	1,564

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	1,564	773
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)	1,564	773

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Payment for director fees	109

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	7,309	5,855
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	7,309	5,855
7.5 Unused financing facilities available at quarter end		1,454
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. \$3.9m NAB equipment finance loan at a fixed 4.2% interest. The equipment finance loan is secured over all of the company's assets and will be over a 5-year term.</p> <p>2. \$1.0m NAB invoice finance facility at 6.22% interest – is secured over all of the company's assets and reviewed by annually on an ongoing basis; this facility will be used for working capital.</p> <p>3. \$2.4m NAB trade facility at 8.27% variable - is secured over all the company's assets and will be reviewed annually on an ongoing basis.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	103
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,564
8.3 Unused finance facilities available at quarter end (item 7.5)	1,454
8.4 Total available funding (item 8.2 + item 8.3)	3,018
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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:	
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:	

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:

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: 27th July 2023

Authorised by: The Board
(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.