



Eneco Refresh Limited (ABN 28 079 681 244)
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Monday, 31 July 2023

ASX Announcement
 (ASX: ERG)

Quarterly Activity Report to 30 June 2023

Eneco Refresh Ltd (Eneco) is pleased to provide a review for the fourth quarter ending June 2023.

As part of its strategic review, Eneco has sold its factory in Darwin for \$4.5 million. Eneco has no borrowings so the proceeds are reflected in the cash balance currently held, and will give us the opportunity to further grow the business.

Eneco continues to own 7.7 hectares of land in Acacia Hills, Northern Territory where our spring is located. We hold a licence to draw 23 million litres of water per annum from the spring.

Total revenue for the quarter and year-to-date by Cash Generating Units compared to the same period last financial year are as follows:

<u>Cash Generating Units</u>	<u>4th Quarter Revenue</u>			<u>Year-to-Date Revenue</u>		
	<u>Apr to June 23</u> \$'000	<u>Apr to Mar 22</u> \$'000	<u>Variance</u>	<u>Jul 22 to June 23</u> \$'000	<u>Jul 21 to June 22</u> \$'000	<u>Variance</u>
Western Australia (WA)	866	757	14%	3,950	3,654	8%
New South Wales (NSW)	692	628	10%	2,849	2,336	22%
Victoria (VIC)	413	430	-4%	1,637	1,724	-5%
Northern Territory (NT)	446	362	23%	1,677	1,392	20%
Queensland (QLD)	<u>610</u>	<u>539</u>	13%	<u>2,555</u>	<u>2,318</u>	10%
Refresh Waters	3,027	2,716	11%	12,668	11,424	11%
Refresh Plastics *	<u>300</u>	<u>710</u>	-58%	<u>1,818</u>	<u>2,553</u>	-29%
Total	<u>3,327</u>	<u>3,426</u>	-3%	<u>14,486</u>	<u>13,977</u>	4%

* Sales declined because of fire at factory on 8 February 2023



There was no significant expenditure for the quarter. A summary of expenditure incurred compared to the previous quarter is as follows:

	<u>June Quarter</u>	<u>Mar Quarter</u>
	<i>\$'000</i>	<i>\$'000</i>
Product manufacturing and operating costs	1,682	2,206
Advertising and marketing	198	152
Leased premises	202	171
Staff costs *	839	698
Purchase of plant and equipment	-7	339

* Includes \$75k paid as director fees and salaries

Refresh Waters

Refresh Waters sales increased by 11% in the last quarter and 11% year-to-date.

NT was the top performer last quarter with a growth of 23%. This was primarily due to increased sales from customers stocking up in anticipation of our plant shutdown when we hand over the factory.

WA did well in the last quarter with a growth of 14%. The growth has been broad based and expected to continue in the coming months.

QLD continues to grow well especially with strong sales to Woolworths.

NSW grew by 10% in the last quarter. Year-to-date, it achieved the highest growth of 22%. Our custom labelled bottled water division is growing strongly as businesses invest more in marketing and promotions.

VIC is the only CGU with decline in sales because of the loss of some business.

Refresh Plastics

A fire broke out at the main Refresh Plastics factory on 8 February 2023. We continue to trade in plastic products although the factory is currently not operational. This has affected sales.

Eneco has 2 insurance policies for which payment has been sought because of the fire.

- a. Industrial Special Risk - this policy includes coverage for equipment, inventory, and business continuation. The insurer has granted us indemnity and we have received a first progress payment of \$1 million. It is anticipated that a further few million will be claimed under this policy and we are quantifying the total loss.



- b. Public Liability – after the fire, EPA Victoria and Melbourne Water served us notices to urgently clean up the surrounding areas. CSA Specialised Services Pty Ltd (CSA) was appointed to undertake the job and the clean-up came to \$2,223,305.65 plus GST. The public liability insurer has refused to pay on the claim. We are now pursuing the claim through lawyers. In the meantime, we have agreed on a reduced amount with CSA and are in the process of settlement. It is noted that there will be no need to increase our debt exposure to finalise this.

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

For more information, please contact:
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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 June 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	3,324	14,483
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,682)	(9,670)
(c) advertising and marketing	(198)	(750)
(d) leased assets	(202)	(858)
(e) staff costs	(839)	(3,160)
(f) administration and corporate costs (ROU reclassified)	-	217
1.3 Dividends received (see note 3)		
1.4 Interest received	3	8
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	406	270

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	-7	-320
(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	4,503	4,503
(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	4,496	4,183
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 (including AASB16 expense)	0	(338)
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	0	(338)

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	496	1,283
4.2	Net cash from / (used in) operating activities (item 1.9 above)	406	270
4.3	Net cash from / (used in) investing activities (item 2.6 above)	4,496	4,183
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(338)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	5,398	5,398

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	4,218	300
5.2	Call deposits	1,180	330
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)	5,398	630

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	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><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></p>		

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)	406
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,398
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	5,398
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: 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 are those 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 to 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 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 July 2023



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.