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Monday, 29 April 2024

ASX Announcement
(ASX: ERG)

Quarterly Activity Report to 31 March 2024

Eneco Refresh Ltd (Eneco) is pleased to present a review for its performance for the third quarter ending March 2024. Total revenue for the quarter by Cash Generating Units (CGU) compared to the same period last financial year are as follows:

	Third Quarter Revenue			Year-to-date Revenue		
	Jan 24 - Mar 24	Jan 23 - Mar 23	Variance	July 23 - Mar 24	July 22 - Mar 23	Variance
<u>Cash Generating Units</u>	\$'000	\$'000		\$'000	\$'000	
Western Australia (WA)	1,333	1,153	16%	3,644	3,084	18%
New South Wales (NSW)	813	744	9%	2,502	2,157	16%
Victoria (VIC)	533	473	13%	1,493	1,224	22%
Northern Territory (NT)	14	380	-96%	51	1,231	-96%
Queensland (QLD)	<u>712</u>	<u>675</u>	5%	<u>2,156</u>	<u>1,945</u>	11%
Refresh Waters	3,405	3,083	5%	9,846	9,641	3%
Refresh Plastics	563	533	6%	1,930	1,518	34%
Total	<u>3,968</u>	<u>3,616</u>	10%	<u>11,776</u>	<u>11,159</u>	6%

Group revenue grew by 10% compared to Q3 FY2023 and overall has increased 6% year to date. All states reported solid growth for the quarter compared to same quarter last year with the only exception being the Northern Territory which has been exited by the group. Excluding the Northern Territory variance, the group delivered a considerable improvement of 18.1% compared to the same period FY2023.



A summary of key expenditure items incurred compared to the previous quarter is as follows:

	<u>Mar Quarter</u>	<u>Dec Quarter</u>	<u>Sept Quarter</u>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Product manufacturing and operating costs	1,515	1,532	2,015
Advertising and marketing	106	127	110
Leased premises	283	336	258
Staff cost ¹	1,618	1,434	1,266
Purchase of plant and equipment	120	376	233

¹ Includes \$39,000 paid as director fees.

Refresh Waters

VIC continues strong year-on-year growth. This is primarily driven by increased sales to a major supermarket chain. The continued growth is despite the relocation of premises.

Perth achieved a record sales month in January, surpassing \$400,000 in sales for the first time, and continues to deliver double digit growth year-on-year.

NSW and QLD remained solid in their respective markets, which was mainly seen across the product range.

Staff costs increased nationwide as the seasonal increase of sales was encountered through a very hot summer period.

The outlook for revenue coming into the final quarter of the year is positive. The challenges remain on overheads and this is the main source of focus for the coming months so we have a financially, and operationally, robust start to the new financial year.

Refresh Plastics

The anniversary of the Refresh Plastics fire occurred during this quarter and coincided with the completion of the fit out of the new premises. The high growth figure of 34% year on year is due to the obvious negative impact on the business during this quarter last year. The key focus is sustainable profit for the plastics business in 2024 and the Board remains committed to delivering this for the Group as we review all products, costs and margins.

This announcement was authorised for release by Colin Moran, Non-Executive Chairman

For more information, please contact info@eneco-refresh.com.au



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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,828	11,519
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,515)	(6,074)
(c) advertising and marketing	(106)	(343)
(d) leased assets	(283)	(867)
(e) staff costs	(1,618)	(4,318)
(f) administration and corporate costs	(195)	(432)
1.3 Dividends received (see note 3)		
1.4 Interest received	39	99
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (CSA Specialised Services for fire accident clean-up/ insurance reimbursement)		(790)
1.9 Net cash from / (used in) operating activities	150	(1,206)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(120)	(737)
(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		257
(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	(120)	(480)
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)	(170)	(450)
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	(170)	(450)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	3,399	5,395
4.2	Net cash from / (used in) operating activities (item 1.9 above)	150	(1,206)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(120)	(480)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(170)	(450)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,259	3,259

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	905	1,140
5.2	Call deposits	2,354	2,259
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)	3,259	3,399

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	39
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 <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	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		0
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)	100
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,359
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,359
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: 29 April 2024

Authorised by: Colin Moran, Chairman
(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.