



Eneco Refresh Limited (ACN 079 681 244)
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Tuesday, 30 July 2024

ASX Announcement
(ASX: ERG)

Quarterly Activity Report to 30 June 2024

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

	Fourth Quarter Revenue			Year-to-date Revenue		
	Apr 24 - Jun 24	Apr 23- Jun 23	Variance	July 23 - Jun 24	July 22 - Jun 23	Variance
<u>Cash Generating Units</u>	\$'000	\$'000		\$'000	\$'000	
Western Australia (WA)	1,239	866	43%	4,883	3,926	24%
New South Wales (NSW)	632	693	-9%	3,134	2,856	10%
Victoria (VIC)	595	417	43%	2,088	1,641	27%
Northern Territory (NT)	11	452	-98%	62	1,683	-96%
Queensland (QLD)	<u>680</u>	<u>616</u>	10%	<u>2,836</u>	<u>2,561</u>	11%
Refresh Waters	3,157	3,044	4%	13,003	12,667	3%
Refresh Plastics	519	316	64%	2,449	1,818	35%
Total	<u>3,676</u>	<u>3,360</u>	9%	<u>15,452</u>	<u>14,485</u>	7%

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

	<u>Jun Quarter</u>	<u>Mar Quarter</u>
	\$'000	\$'000
Product manufacturing and operating costs	2,238	1,515
Advertising and marketing	96	106
Leased premises	357	283
Staff cost ¹	1,370	1,618
Purchase of plant and equipment	223	120

¹ Includes \$37,000 paid as director fees.

Manufacturing and Operating costs were impacted by several factors. In addition to the significantly increased day to day operating costs we have taken decisions to clear off obsolete and deteriorated inventory items throughout Australia in addition to writing down several idle and unused assets.



Staff costs reflect a sizeable drop which is mainly attributed to the change in shift patterns in the quieter months of Autumn and Winter as compared to Summer.

Final insurance settlement of \$1,233,392 was received in June, pertaining to the Refresh Plastics fire in February 2023 which has helped strengthen our cash in bank position for year end

Refresh Waters

Our water business has once again delivered a strong year on year improvement for the quarter. Excluding the Darwin business (which has been closed prior to the commencement of this reporting year), the water business is reflecting a growth of 21% for the quarter compared to prior year. Water also delivered (excluding Darwin) an 18% growth over the prior year. The strength of the sales results we believe is a firm indicator as to the resilience of this segment and its ability to deliver top line growth.

Our results were strong across most states (excluding Darwin) with WA and Vic delivering 43% growth compared to the same period last year.

WA's growth was partly assisted by a long, hot summer. The Perth site exceeded annual sales of \$4m for the year for the first time and an annual growth of 24%. Kalgoorlie growth remains impressive and has seen an increase of 29% in revenue compared to the previous year. Several existing customers expanded their mining operations, and we saw the benefit of this.

NSW had a soft quarter reflecting a quarterly decline in revenue compared to prior year of 9%. However, the annual sales result was a solid 10% year on year growth. The HYDR8 business channel has contributed the most growth this year to the states result.

QLD remained solid in their respective markets, with 10% revenue growth in the period. Over the full year, QLD posted an 11% increase in sales and continues to secure new customers and service the major retailers.

VIC delivered a strong year-on-year growth with a 43% increase compared to the same quarter last year and an impressive 27% growth for the year. This is primarily driven by increased sales to a major supermarket chain. The continued growth is despite the relocation of premises.

The overall business has continued to see major cost pressure from utilities, rents, labour and materials all of which have impacted the bottom line performance compared to prior year. The team is focussed on stabilising its new cost base and reviewing pricing to help improve the business' bottom line performance throughout the New Year ahead.

Refresh Plastics

Plastics delivered an impressive 64% growth for the quarter compared to prior year and a solid 35% for full year growth. The comparison is difficult to compare as the prior year was dramatically impacted as a direct result of the fire within the plastics business. The closure and



relocation were major distractions for the team. With their support we have seen the improved sales results being reflected.

The business is focussed on improving its gross operating margins throughout all sites and securing new growth to help deliver an improved performance for the new year ahead.

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")

30 June 2024

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	4,207	15,726
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,238)	(8,312)
(c) advertising and marketing	(96)	(439)
(d) leased assets	(357)	(1,224)
(e) staff costs	(1,370)	(5,688)
(f) administration and corporate costs	(110)	(542)
1.3 Dividends received (see note 3)		
1.4 Interest received	42	141
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/ business interruption insurance payment/ property damage insurance payment)	1,233	443
1.9 Net cash from / (used in) operating activities	1,311	105

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	(223)	(961)
(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	156	414
(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	(67)	(547)
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)	(190)	(640)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (AASB16 adjustments and depreciation)		
3.10	Net cash from / (used in) financing activities	(190)	(640)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,259	5,395
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,311	105
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(67)	(547)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(190)	(640)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,313	4,313

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	1,932	905
5.2	Call deposits	2,390	2,354
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)	4,313	3,259

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	37
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 <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)	4,313
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	4,313
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	43
<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: 30 July 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.