



Eneco Refresh Limited (ACN 079 681 244)
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Thursday, 31 October 2024

ASX Announcement
(ASX: ERG)

Quarterly Activity Report to 30 September 2024

Eneco Refresh Ltd (Eneco) is pleased to present a review for its performance for the first quarter ending September 2024. 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 24 - Sept 24</u> \$'000	<u>July 23 - Sept 23</u> \$'000	<u>Variance</u> \$'000
Western Australia (WA)	1,093	946	16%
New South Wales (NSW)	774	825	-6%
Victoria (VIC)	489	448	9%
Northern Territory (NT)	20	31	-35%
Queensland (QLD)	812	684	19%
Refresh Waters	3,188	2,934	9%
Refresh Plastics	634	544	17%
Total	<u>3,822</u>	<u>3,478</u>	10%

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

	<u>Sep Quarter</u> \$'000	<u>Jun Quarter</u> \$'000
Product manufacturing and operating costs	2,439	2,238
Advertising and marketing	79	96
Leased premises (ROU assets)	180	190
Staff costs ¹	1,256	1,370
Purchase of plant and equipment	50	223

¹ Includes \$67,000 paid as director fees and salaries

With the first quarter of the year being predominantly the Winter months, and associated low temperatures, this is historically our quietest and most financially challenging period of the year for water sales. It is therefore very encouraging that we have recorded a 10% increase in revenue compared to quarter 1 in FY24. This increase represents a \$344k uplift in sales, which is a direct result of necessary upward price adjustments and increased market share, particularly evident in Western Australia and Queensland. Expenditure has reduced by 3% in Q1 compared to the previous Q4 FY24 period. Although manufacturing and operating costs have increased, improved controls in other areas delivered an overall positive result. Whilst the persistent increase in business costs continues to impact our bottom-line, the strong sales figures reflect robust growth and a promising start to the financial year.



Refresh Waters

WA recorded an impressive 16% increase in revenue with the main growth being in Perth metro wholesale and distribution sales coupled with expanding mine site operations in Kalgoorlie. As can be expected from our largest manufacturing site, the Perth factory also attracts the largest running costs and we are analysing these closely to identify savings wherever possible.

New South Wales has seen a 6% shrinkage in revenue compared to the previous year, most notably in bulk industrial water, however sales to major retailers have increased which has softened the overall impact. An area of scrutiny is freight, which is becoming prohibitive for growth due to costs, so this is being reviewed. We have secured a reduction in packaging costs so will see benefit from this in Q2.

VIC delivered a good sales performance with a growth of 9% year on year with major retailer sales accounting for the majority of this. The focus for the site remains actively seeking out opportunities to reduce the cost of goods; mainly packaging and freight. We have purchased further equipment to offset hire costs which will provide relief going forward.

The Darwin site in NT is experiencing increased demand for springwater to our local customer so the reported 35% drop in revenue is somewhat misleading as the FY24 result was during the final stages of the sale of the business.

QLD exhibited 19% growth, which is mainly attributed to major retailer sales however, there are a number of new customers in both Brisbane and Toowoomba that are contributing to this great result. Brisbane is the standout performer of the first quarter, and the improved internal controls that have been implemented, are coming to fruition.

Refresh Plastics

The Plastics business is now demonstrating stability and delivering consistently following an extended period of difficulty following the major fire event in FY24. The revenue increase of 17% is reflective of our increased supply of water tanks for recreational vehicles.

This announcement was authorized 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 September 2024

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	3,781	3781
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,439)	(2439)
(c) advertising and marketing	(79)	(79)
(d) leased assets	(98)	(98)
(e) staff costs	(1,256)	(1,256)
(f) administration and corporate costs	(120)	(120)
1.3 Dividends received (see note 3)		
1.4 Interest received	36	36
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	25	25
1.8 Other		
1.9 Net cash from / (used in) operating activities	(150)	(150)

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	(50)	(50)
	(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	(50)	(50)
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)	(180)	(180)
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	(180)	(180)

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	4,313	4,313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(150)	(150)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(180)	(180)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,933	3,933

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	1,371	1,922
5.2	Call deposits	2,557	2,390
5.3	Bank overdrafts		
5.4	Other (cash)	5	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,933	4,313

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	67
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.</i> <i>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		
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)	(150)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,933
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	3,933
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	26
<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 October 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.