



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

ASX Announcement
 (ASX: ERG)

Quarterly Activity Report to 31 December 2023

Eneco Refresh Ltd (Eneco) is pleased to present a review for its performance for the second quarter ending December 2023. Total revenue for the quarter by Cash Generating Units (CGU) compared to the same period last financial year are as follows:

	Second Quarter Revenue			Year-to-date Revenue		
	Oct 23 -	Oct 22 -		July 23 -	July 22 -	
<u>Cash Generating Units</u>	<u>Dec 23</u>	<u>Dec 22</u>	<u>Variance</u>	<u>Dec 23</u>	<u>Dec 22</u>	<u>Variance</u>
	\$'000	\$'000		\$'000	\$'000	
Western Australia (WA)	1,365	1,045	31%	2,311	1,928	20%
New South Wales (NSW)	863	760	14%	1,688	1,414	19%
Victoria (VIC)	512	380	35%	960	747	29%
Northern Territory (NT)	7	389	-98%	38	851	-96%
Queensland (QLD)	<u>760</u>	<u>669</u>	14%	<u>1,444</u>	<u>1,273</u>	13%
Refresh Waters	3,507	3,243	8%	6,441	6,213	4%
Refresh Plastics	823	721	14%	<u>1,367</u>	<u>1,309</u>	4%
Total	<u>4,330</u>	<u>3,964</u>	9%	<u>7,808</u>	<u>7,522</u>	4%

Group revenue grew by 9% compared to the same quarter prior year and is 4% better for the first half year than the prior year. All states were up 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 21% revenue improvement on the same quarter prior year and a year-on-year half year improvement of 16.5%.



The Group received a second insurance payout of \$1,000,000 in the December quarter which improved the cash balance and the cash flow for the quarter. There remain unsettled insurance claims which the group will update as and when they are settled.

In the September quarter the Group paid \$1,790,000 to CSA in settlement of clean-up costs related to the Plastics factory fire in Melbourne in 2023.

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

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

¹ Includes \$145,000 paid as director fees and payout for Managing Director after resignation on 27th November 2023.

Refresh Waters

VIC has performed exceptionally well, registering a significant 35% increase in revenue compared to the prior year. This is primarily driven by increased sales to a major supermarket chain. The Melbourne business was also relocated in the quarter as part of the reestablishment after the 2023 fire.

WA demonstrated strong performance, with a growth of 31% primarily driven by increased supply to the mining industry.

NSW delivered a 14% growth as did QLD which was mainly seen across the product range.

While the persistent increase in business costs continue to impact our bottom-line the strong sales figures reflect robust growth and a promising future for Eneco.



Refresh Plastics

The plastics business after much disruption has delivered a strong 14% growth on the same quarter last year but is still plagued with high operating costs which the Group is now focussed on. 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 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,113	6,682
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,532)	(3,548)
(c) advertising and marketing	(127)	(237)
(d) leased assets	(336)	(594)
(e) staff costs	(1,434)	(2,700)
(f) administration and corporate costs	(111)	(236)
1.3 Dividends received (see note 3)		
1.4 Interest received	27	59
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)	1,000	(790)
1.9 Net cash from / (used in) operating activities	600	(1,364)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(376)	(609)
	(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	7	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	(369)	(352)
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)	(187)	(280)
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	(187)	(280)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	3,355	5,395
4.2	Net cash from / (used in) operating activities (item 1.9 above)	600	(1,364)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(369)	(352)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(187)	(280)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,399	3,399

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	1,140	1,156
5.2	Call deposits	2,259	2,199
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)	3,399	3,355

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	145
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		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)	600
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,399
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	3,399
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <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>	N/A
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? <div style="border: 1px solid black; padding: 5px; min-height: 20px;"> Answer: N/A </div>	
	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? <div style="border: 1px solid black; padding: 5px; min-height: 20px;"> Answer: N/A </div>	
	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? <div style="border: 1px solid black; padding: 5px; min-height: 20px;"> Answer: N/A </div>	
<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: 30th January 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.