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Appendix 4E

Preliminary Final Report period ending 30 June 2023

Results for announcement to the market

Financial Results			June 2023	June 2022
Revenue from ordinary activities	Up	3.6%	14,485,683	13,977,257
Comprehensive profit (Loss) from ordinary activities after tax attributable to members	Up	148%	97,687	(205,505)

Dividends	2023 Final Dividend	2022 Final Dividend
Amount per Ordinary Security	nil	nil
Franked amount per Security	N/A	N/A
Record date for determining entitlements to final dividend	N/A	

Net Tangible Asset Backing	June 2023	June 2022
Net tangible asset backing per ordinary security	\$0.034	\$0.034

COMMENTARY

Eneco Refresh Ltd (Eneco) is pleased to announce a 4% increase in revenue this year.

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

Eneco continues to own 7.7 hectares of land in Acacia Hills, Northern Territory, where our spring is located. It holds a licence to draw 23 million litres of water per annum from the spring which continues to be a valuable resource for us.

A breakdown by Cash Generating Units is presented below.

	FY 2023	FY 2022	
	<u>\$'000</u>	<u>\$'000</u>	<u>Variance</u>
<u>Revenue</u>			
Western Australia (WA)	3,950	3,654	8%
New South Wales (NSW)	2,849	2,336	22%
Victoria (VIC)	1,636	1,724	-5%
Northern Territory (NT)	1,677	1,392	20%
Queensland (QLD)	2,556	2,319	10%
Refresh Waters	12,668	11,425	11%
Refresh Plastics	1,818	2,553	-29%
Total	14,486	13,978	4%
<u>Profit/(Loss)</u>			
Western Australia	-91	155	-159%
New South Wales	308	303	2%
Victoria	27	191	-86%
Northern Territory	705	-356	298%
Queensland	151	187	-19%
Refresh Waters	1,100	480	129%
Refresh Plastics	-404	-122	-231%
	696	358	94%
Corporate Expenses	-598	-564	6%
Total	98	-206	-147%

Refresh Waters

Refresh Waters sales have increased by 11%.

Its biggest growth of 22% comes from NSW. The custom labelled bottled water division is growing strongly as businesses invest more in marketing and promotion. Overall NSW has achieved our highest operating profit, similar to the last financial year.

NT had a 20% increase in revenue. This was in part due to increased sales in anticipation of our plant shutdown when we hand over the factory. The sale of the factory resulted in NT achieving a profit of \$704,000.

QLD continues to grow steadily at 10%, mainly due to strong sales to Woolworths.

WA grew 8%. Growth has been broad based and is expected to continue this financial year.

VIC is the only CGU with a decline in sales due to the loss of some business, but is anticipated to pick up in this financial year.

Refresh Plastics

A fire broke out at the main Refresh Plastics factory on 8 February 2023. While the factory is not currently operational, it has continued to trade in plastic products, including Dolium one-way PET kegs for the beer, wine and beverage industries.

Despite this sales decline of 29%, as stated above, Eneco has achieved overall growth this financial year.

Eneco has made a claim on 2 insurance policies due to the fire:

- a. Industrial Special Risk - this policy includes coverage for equipment, inventory, and business continuation. The insurer has granted indemnity and paid an initial progress payment of \$1 million. We have put through another \$2.1 million in claims and expect to receive full payment.
- b. Public Liability – after the fire, EPA Victoria and Melbourne Water served notices to urgently clean up the surrounding areas. CSA Specialised Services Pty Ltd was appointed to undertake the job and a settlement sum of \$1.89 million GST-inclusive has been agreed and paid. The public liability insurer has refused to this claim which is now being pursued through legal avenues.

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	CONSOLIDATED	
		2023	2022
		\$	\$
Revenue	2a	14,485,683	13,977,257
Cost of Sales	2b	(9,228,537)	(8,572,147)
Gross Profit		5,257,146	5,405,110
Other Income		1,063,296	66,643
Other Expense		-	(14,235)
Marketing Expenses		(744,626)	(614,394)
Distribution Expenses		(2,019,341)	(1,758,164)
Administrative Expenses		(2,549,689)	(3,027,624)
Occupancy Expenses		(836,999)	(268,722)
Results from operating activities		169,787	(211,386)
Finance Income	2c	8,595	8,195
Finance Costs	2d	(80,695)	(2,314)
Profit/(Loss) before income tax		97,687	(205,505)
Income tax expense		-	-
Profit/(Loss) after income tax		97,687	(205,505)
Other comprehensive income			
Item not reclassified subsequently to profit or loss: Fair value gain/(loss) on financial assets at fair value through OCI		-	(24,628)
Total comprehensive loss for the period		97,687	(230,133)
Basic and diluted profit/(loss) per share (cents)		0.036	(0.075)

The accompanying notes form part of the Statement of Comprehensive Income

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	CONSOLIDATED	
		2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		5,395,189	1,283,574
Trade and other receivables	3	3,475,309	1,275,871
Prepayments		227,187	130,175
Inventories	4	1,919,423	1,993,991
Current tax asset		34,361	34,361
Total Current Assets		11,051,469	4,717,972
Non-Current Assets			
Property, plant and equipment		2,507,347	6,618,342
Intangible assets		558,843	562,171
Financial assets at fair value through OCI	7	16,400	16,400
Investment in associate		50,000	50,000
Right of use asset		2,193,160	2,846,062
Total Non-Current Assets		5,325,750	10,092,975
TOTAL ASSETS		16,377,219	14,810,947
LIABILITIES			
Current Liabilities			
Trade and other payables	5	3,347,867	1,023,580
Short-term provisions and accruals		784,444	982,246
Current tax liabilities		37,509	-
Lease liabilities		379,017	683,173
Total Current Liabilities		4,548,837	2,688,999
Non-current Liabilities			
Long-term provisions		13,712	25,616
Lease liabilities		1,821,309	2,200,324
Total Non-Current Liabilities		1,835,021	2,225,940
TOTAL LIABILITIES		6,383,858	4,914,939
NET ASSETS		9,993,361	9,896,008
EQUITY			
Issued capital		18,320,875	18,320,875
Share reserve		191,712	191,712
Profit reserve		356,409	356,409
Financial asset revaluation reserve		50,683	50,683
Accumulated losses		(8,926,318)	(9,023,671)
TOTAL EQUITY		9,993,361	9,896,008

The accompanying notes form part of the Statement of Financial Position

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2023

	Issued Capital	Share Reserve	Profit Reserve	Financial Asset Revaluation Reserve	Accumulated Losses	Total
Balance at 1 July 2021	18,320,875	191,712	356,409	75,311	(8,818,166)	10,126,141
Fair value gain on available- for sale financial assets	-	-	-	(24,628)	-	(24,628)
	18,320,875	191,712	356,409	50,683	(8,818,166)	10,101,513
Total (Loss) for the year	-	-	-	-	(205,505)	(205,505)
Balance at 30 June 2022	18,320,875	191,712	356,409	50,683	(9,023,671)	9,896,008
Balance at 1 July 2022	18,320,875	191,712	356,409	50,683	(9,023,671)	9,896,008
Fair value gain on available- for sale financial assets	-	-	-	-	-	-
	18,320,875	191,712	356,409	50,683	(9,023,671)	9,896,008
Total profit for the year	-	-	-	-	97,687	97,687
Balance at 30 June 2023	18,320,875	191,712	356,409	50,683	(8,926,318)	9,993,361

The accompanying notes form part of the Statements of Changes in Equity

**PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	CONSOLIDATED	
	2023	2022
	\$	\$
	<hr/>	<hr/>
Cash flows from operating activities		
Receipts from customers	13,483,172	14,474,803
Receipt from insurer	1,000,000	-
Payments to suppliers and employees	(13,905,207)	(13,938,886)
Interest received	8,595	8,195
Government grants and tax incentives	25,000	58,880
Net cash flows provided by operating activities	<hr/> 611,560	<hr/> 602,992
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and investment	4,503,766	9,250
Purchase of property, plant and equipment	(320,539)	(329,396)
Investment	-	(18,228)
Net cash flows provided by / used in investing activities	<hr/> 4,183,228	<hr/> (338,374)
Cash flows from financing activities		
Repayments of borrowings	-	-
Other- AASB 16 Prepayment for the Principal	(683,173)	(435,915)
Net cash flows used in financing activities	<hr/> (683,173)	<hr/> (435,915)
Net (decrease) / increase in cash and cash equivalents	4,111,615	(171,297)
Cash and cash equivalents at beginning of period	1,283,574	1,454,871
Cash and cash equivalents at end of period	<hr/> 5,395,189	<hr/> 1,283,574

The accompanying notes form part of the Statement of Cash Flows

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

1. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

In identifying its operating segments, management follows the geographical location of the Group's bottled water business, but show Refresh Plastics separately. Corporate costs are included under "Other". Segment information can be analysed as follows for the reporting period under review.

	WA	NSW	VIC	NT	QLD	Plastics	OTHER (Corporate)	TOTAL
30 June 2023								
Revenue from external customers	3,949,551	2,849,008	1,636,488	1,677,235	2,555,539	1,817,861	-	14,485,682
EBITDA	242,351	375,604	91,834	(239,132)	349,009	(74,620)	(602,342)	142,704
Depreciation Expense	(318,457)	(58,851)	(74,318)	(49,605)	(172,809)	(362,173)		(1,036,213)
Finance Income	3,615	-	-	-	203	477	4,300	8,595
Finance Costs	(38,187)	(8,342)	-	-	(25,387)	(8,779)	-	(80,695)
Profit on asset sales	19,752	-	9,077	993,157	-	41,310	-	1,063,296
Segment operating profit/(loss)	(90,926)	308,411	26,593	704,420	151,016	(403,785)	(598,042)	97,687
Total assets	7,439,324	1,470,430	1,121,018	1,112,331	1,875,578	2,863,487	495,048	16,377,218
Total liabilities	1,563,956	656,175	184,745	189,157	1,010,385	2,473,026	306,412	6,383,857
30 June 2022								
Revenue from external customers	3,653,801	2,336,193	1,724,149	1,392,093	2,318,496	2,552,525	-	13,977,257
EBITDA	537,106	309,850	244,696	(279,234)	376,410	196,220	(570,652)	814,396
Depreciation Expense	(342,775)	(64,496)	(53,930)	(76,819)	(173,480)	(314,282)		(1,025,782)
Finance Income	1,056	-	-	-	5	17	7,117	8,195
Finance Costs	40,465	(58,176)	-	-	15,397	-	-	(2,314)
Segment operating profit/(loss)	235,852	187,178	190,766	(356,053)	218,332	(118,045)	(563,535)	(205,505)
Total assets	4,397,129	1,174,122	928,714	4,399,861	1,371,578	1,771,421	768,122	14,810,947
Total liabilities	1,138,686	729,781	536,687	434,461	1,067,837	685,710	321,777	4,914,939

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

	CONSOLIDATED	
	2023	2022
	\$	\$
	<hr/>	<hr/>
a. Revenue		
Production and distribution of bottled water and accessories	12,667,822	11,424,732
Production and distribution of plastic products	1,817,861	2,552,525
	<hr/>	<hr/>
	14,485,683	13,977,257
	<hr/>	<hr/>
b. Cost of Sales		
Inventory expensed	9,253,471	8,627,233
Inventory write-off/(write-back)	(24,934)	(55,086)
	<hr/>	<hr/>
	9,228,537	8,572,147
	<hr/>	<hr/>
c. Finance Income		
Interest received	8,595	8,195
	<hr/>	<hr/>
	8,595	8,195
	<hr/>	<hr/>
d. Finance Costs		
Finance charges payable under finance leases and hire purchase contracts	(80,695)	(121,161)
	<hr/>	<hr/>
	(80,695)	(121,161)
	<hr/>	<hr/>
e. Employee Benefits Expense		
Wages and salaries	4,936,905	2,597,488
Workers compensation costs	109,654	75,439
Superannuation costs	468,179	399,387
Provisions for annual and long service leave	(36,793)	44,042
Other employee benefits expense	269,784	230,419
	<hr/>	<hr/>
	5,747,729	3,346,775
	<hr/>	<hr/>
f. Depreciation & Amortisation		
Depreciation expense	1,036,214	1,025,782
	<hr/>	<hr/>
	1,036,214	1,025,782
	<hr/>	<hr/>

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2023	2022
	\$	\$
Current		
Trade receivables	1,322,637	1,254,668
Provision for expected credit losses	(12,824)	(16,327)
Other receivables	2,165,496	37,530
	3,475,309	1,275,871

Movement in the provision for expected credit losses of trade receivables:

Balance at the beginning of the year	16,327	7,357
Additional provision for expected credit losses of trade receivables	(789)	15,120
Receivables written off during the year as uncollectable	(2,714)	(6,150)
Balance at the end of the year	12,824	16,327

Allowance for expected credit losses

The Group has recognised \$2,714 (2022: \$6,150) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

4. INVENTORIES

	CONSOLIDATED	
	2023	2022
	\$	\$
Raw materials (at cost)	1,127,987	1,310,356
Finished goods (at cost)	831,320	789,363
Total inventories at cost	1,959,307	2,099,719
Provision for slow moving inventories	(39,884)	(105,728)
	1,919,423	1,993,991

5. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2023	2022
	\$	\$
Current		
Trade payables	3,008,731	777,265
Other payables	339,136	246,315
	3,334,867	1,023,580

Trade payables are non-interest bearing and are normally settled on 60-day terms.

**PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. ACQUISITION

Nil

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

On 30 June 2023, Refresh Eneco owns 16,400,000 shares in Eve Health Group Ltd, which is listed on the Australian Securities Exchange (ASX:EVE). This is carried in its books at \$0.001 per share, being the last traded price on ASX on 30 June 2023. The fair value changes have been accounted for through OCI.

8. SIGNIFICANT EVENTS

A fire broke out at the Company's plastics factory on 8 Feb 23. The Company is in the midst of its fire insurance claims.

The Company sold its factory and land in Darwin for \$4.5 million on 9 June 23.

9. EVENTS AFTER THE BALANCE SHEET DATE

On 15 Aug 23, the Company sold its Northern Territory assets and business to Territory Spring Water AU Pty Ltd for \$400,000.

10. CONTINGENT ASSETS & LIABILITIES

There is no contingent liability between 30 June 2023 and the date of this report.

11. BASIS FOR PREPARATION

This preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted in the preparation of the annual financial report.

12. UNAUDITED APPENDIX 4E

This report is in the process of being audited.