



Eneco Refresh Limited (ABN 28 079 681 244)
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Thursday, 29 July 2021

ASX Announcement
 (ASX: ERG)

Amended Quarterly Activity Report to June 2021

Eneco Refresh Ltd (Eneco) is pleased to provide a review for the year which includes the quarter ending June 2021.

Every Cash Generating Unit achieved positive variance both in revenue and bottom line. Refresh Waters has continued to do well, with a 15% increase in sales compared to the same period last year. Refresh Plastics achieved a sales growth of 17%. Overall increase was 16%. This growth came about despite our being in the middle of a COVID pandemic.

<u>Cash Generating Units</u>	<u>Revenue</u>			<u>Profit/(Loss)</u>		
	<u>Jul 20 - Jun 21</u>	<u>Jul 19 - Jun 20</u>	<u>Variance</u>	<u>Jul 20 - Jun 21</u>	<u>Jul 19 - Jun 20</u>	<u>Variance</u>
	<u>\$'000</u>	<u>\$'000</u>		<u>\$'000</u>	<u>\$'000</u>	
Western Australia (WA)	3,174	3,077	3%	281	179	57%
New South Wales (NSW)	2,142	1,874	14%	227	206	10%
Victoria (VIC)	1,405	1,263	11%	72	68	6%
Northern Territory (NT)	1,491	861	73%	(212)	(567)	63%
Queensland (QLD)	<u>2,068</u>	<u>1,841</u>	20%	<u>148</u>	<u>55</u>	169%
Refresh Waters	10,280	8,916	15%	516	(59)	975%
Refresh Plastics	<u>3,159</u>	<u>2,708</u>	17%	(118)	(197)	40%
Corporate				<u>(383)</u>	<u>(476)</u>	19%
Total	<u>13,439</u>	<u>11,624</u>	16%	<u>15</u>	<u>(732)</u>	102%

Eneco manufactures at 7 bottled water factories across Australia and 1 plastic factory in Melbourne. There was no change in its business activities for the quarter.

There was no significant expenditure for the quarter. A summary of expenditure incurred is as follows:

	<u>\$'000</u>
Product manufacturing and operating costs	1,998
Advertising and marketing	182
Leased premises	247
Staff costs *	892
Purchase of plant and equipment	225

* Includes \$78k paid as director fees and salaries



Refresh Waters

Sales growth in NSW, VIC, and QLD improved partly because since September 2020, our 2-litre Demineralised Water has been sold in all Woolworths supermarkets (with the exception of WA and NT). This is in addition to our 5-litre Refresh Pure Water being sold in Woolworths for the last 16 years (with the exception of SA and TAS).

NSW continued to do well and our custom labelled bottled water sales picked up significantly.

VIC was unfortunately badly affected by many lockdowns, resulting in only a marginal increase in profitability.

Sales in the NT have overtaken VIC, which reflects positively on our strategy to acquire the only single-serve bottled water factory in the Top End.

QLD had excellent revenue growth of 20% and also achieved the highest variance in profitability. Refresh Waters bought back a 51% share of QLD on 2 January 2019, making it a wholly-owned subsidiary. Under our management, it has achieved record profit.

Refresh Plastics

Refresh Plastics achieved excellent growth of 17%. This is despite it no longer selling Petainer one-way PET kegs, which used to be about 5% of total revenue. Petainer refused to take back raw materials and finished goods worth \$93,000. We have progressively written down the value of these stocks, with \$70,000 written off in the last financial year. Refresh Plastics' loss would otherwise have been much lesser.

This announcement was authorised by Henry Heng, Executive Chairman.

For more information, please contact:

Henry Heng

Executive Chairman

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Producing Australia's purest drinking water since 1997

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Amended 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 2021

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	3,454	13,871
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,998)	(8,750)
(c) advertising and marketing	(182)	(724)
(d) leased assets	(247)	(1,037)
(e) staff costs	(892)	(3,318)
(f) administration and corporate costs		
1.3 Dividends received (see note 3)		
1.4 Interest received	2	15
1.5 Interest and other costs of finance paid	(1)	(10)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	3	532
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	139	579

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	(225)	(529)
	(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		62
	(d) investments	(19)	349
	(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	(244)	(118)
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	(8)	(433)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(8)	(433)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	1,568	1,427
4.2	Net cash from / (used in) operating activities (item 1.9 above)	139	579
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(244)	(118)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	(433)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,455	1,455

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	467	430
5.2	Call deposits	988	1,138
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)	1,455	1,568

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	78
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)	139
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,455
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,594
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?	
	Answer:	
	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:	
	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:	
<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 July 2021



Authorised by: Henry Heng, Executive 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.