



Eneco Refresh Limited (ACN 079 681 244)
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Appendix 4E

Preliminary Final Report period ending 30 June 2021

Results for announcement to the market

Financial Results			June 2021	June 2020
Revenue from ordinary activities	Up	16.9%	13,186,164	11,284,764
Comprehensive (Loss) from ordinary activities after tax attributable to members	Down	84.5%	(161,878)	(1,044,466)

Dividends	2021 Final Dividend	2020 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 2021	June 2020
Net tangible asset backing per ordinary security	\$0.04	\$0.04

COMMENTARY

Eneco Refresh Ltd (Group) is pleased to announce that it has achieved a 17% increase in revenue and trimmed its loss by 85% compared to the previous financial year. The effect of COVID-19 lockdowns has been felt across the country. Despite that, the Group has done well and is able to grow because of its diversified product offering. Every Cash Generating Unit achieved positive variance both in revenue and bottom line. The Federal and State government packages have helped in reducing losses.

Refresh Waters

Sales growth in New South Wales, Victoria, and Queensland improved partly because since September 2020, our 2-litre Demineralised Water has been sold in all Woolworths supermarkets (with the exception of Western Australia and Northern Territory). This is in addition to our 5-litre Refresh Pure Water being sold in Woolworths for the last 16 years (with the exception of South Australia and Tasmania).

New South Wales continued to do well and our custom labelled bottled water sales picked up significantly.

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

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

Queensland had excellent revenue growth of 20% and also achieved the highest variance in profitability. Refresh Waters bought back a 51% share of our Queensland business 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 current financial year. Refresh Plastics' loss would otherwise have been much lesser.

A breakdown by Cash Generating Units is presented below.

COMMENTARY (continued)

	FY 2021	FY 2020	
	<u>\$'000</u>	<u>\$'000</u>	<u>Variance</u>
<u>Revenue</u>			
Western Australia	3,143	2,981	5%
New South Wales	2,129	1,875	14%
Victoria	1,385	1,263	10%
Queensland	2,060	1,836	12%
Northern Territory	1,491	860	73%
Refresh Waters	10,208	8,815	16%
Refresh Plastics	2,978	2,470	21%
Total	13,186	11,285	17%
<u>Profit/(Loss)</u>			
Western Australia	267	179	49%
New South Wales	219	203	8%
Victoria	73	68	7%
Queensland	131	57	130%
Northern Territory	-212	-567	63%
Refresh Waters	478	-60	897%
Refresh Plastics	-168	-266	37%
	478	-326	247%
Goodwill Impairment	-	-243	
Corporate Expenses	-472	-475	1%
Total	-162	-1,044	85%

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	CONSOLIDATED 2021 \$	2020 \$
Revenue	2a	13,186,164	11,284,764
Cost of Sales	2b	(8,094,098)	(6,960,122)
Gross Profit		5,092,066	4,324,642
Other Income		548,270	366,971
Marketing Expenses		(725,852)	(715,347)
Distribution Expenses		(1,652,525)	(1,637,376)
Administrative Expenses		(2,306,464)	(2,138,575)
Occupancy Expenses		(906,886)	(1,042,005)
Impairment of Goodwill		-	(243,007)
Results from operating activities		48,609	(1,084,697)
Finance Income	2c	15,045	37,657
Finance Costs	2d	(225,532)	(34,480)
(Loss) before income tax		(161,878)	(1,081,520)
Income tax expense		-	-
(Loss) for the year from continuing operations		(161,878)	(1,081,520)
Profit/(Loss) for the year from discontinued operations		-	-
(Loss) after income tax		(161,878)	(1,081,520)
Other comprehensive income			
Fair value gain on financial assets at fair value through OCI		149,419	37,054
Total comprehensive loss for the period		(12,459)	(1,044,466)
Basic and diluted loss per share (cents)		(0.005)	(0.380)

The accompanying notes form part of the Statement of Comprehensive Income

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	CONSOLIDATED	
		2021	2020
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		1,454,871	1,426,733
Trade and other receivables	3	1,213,716	1,167,604
Prepayments		80,744	106,557
Inventories	4	2,042,695	2,067,551
Current tax asset		34,361	34,361
Total Current Assets		4,826,387	4,802,806
Non-Current Assets			
Property, plant and equipment		6,788,318	6,768,068
Intangible assets		562,171	562,171
Financial assets at fair value through OCI	7	22,800	222,324
Investment in associate		50,000	50,000
Right of use asset		3,940,172	1,831,383
Total Non-Current Assets		11,363,461	9,433,946
TOTAL ASSETS		16,189,848	14,236,752
LIABILITIES			
Current Liabilities			
Trade and other payables	5	974,746	734,418
Financial liabilities		-	232,906
Short-term provisions and accruals		733,048	964,918
Lease liabilities		494,207	313,300
Total Current Liabilities		2,202,001	2,245,542
Non-current Liabilities			
Financial liabilities		-	200,000
Long-term provisions		257,145	63,017
Lease liabilities		3,604,561	1,589,593
Total Non-Current Liabilities		3,861,706	1,852,610
TOTAL LIABILITIES		6,063,707	4,098,152
NET ASSETS		10,126,141	10,138,600
EQUITY			
Issued capital		18,320,875	18,320,875
Reserves		191,712	191,712
2014 profit reserve		356,409	356,409
Financial asset revaluation reserve		75,311	(74,108)
Accumulated losses		(8,818,166)	(8,656,288)
TOTAL EQUITY		10,126,141	10,138,600

The accompanying notes form part of the Statement of Financial Position

PRELIMINARY FINAL REPORT
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2021

	Issued Capital	Other Reserves	Financial Assets Revaluation Reserve	2014 Profit Reserve	Accumulated Losses	Total
Balance at 1 July 2019	18,320,875	191,712	(111,162)	356,409	(7,574,768)	11,183,066
Fair value gain on available- for sale financial assets	-	-	37,054	-	-	37,054
	18,320,875	191,712	(74,108)	356,409	(7,574,768)	11,220,120
Total (Loss) for the year	-	-	-	-	(1,081,520)	(1,081,520)
Balance at 30 June 2020	<u>18,320,875</u>	<u>191,712</u>	<u>(74,108)</u>	<u>356,409</u>	<u>(8,656,288)</u>	<u>10,138,600</u>
 Balance at 1 July 2020	 18,320,875	 191,712	 (74,108)	 356,409	 (8,656,288)	 10,138,600
Fair value gain on available- for sale financial assets	-	-	149,419	-	-	149,419
	18,320,875	191,712	75,311	356,409	(8,656,288)	10,288,019
Total (Loss) for the year	-	-	-	-	(161,878)	(161,878)
Balance at 30 June 2021	<u>18,320,875</u>	<u>191,712</u>	<u>75,311</u>	<u>356,409</u>	<u>(8,818,166)</u>	<u>10,126,141</u>

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 2021

	CONSOLIDATED	
	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from customers	13,633,748	11,585,583
Payments to suppliers and employees	(12,846,634)	(12,215,499)
Borrowing costs	(9,633)	(34,480)
Interest received	15,045	37,657
Government grants and tax incentives	532,469	344,883
Net cash flows provided by operating activities	1,324,995	(281,856)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and investment	62,291	70,642
Purchase of property, plant and equipment	(528,829)	(228,612)
Investment	348,943	(50,000)
Intellectual property	-	(100,380)
Net cash flows provided by/(used in) investing activities	(117,595)	(308,350)
Cash flows from financing activities		
Repayments of borrowings	(432,906)	(247,938)
Other- AASB 16 Prepayment for the Principal	(746,356)	-
Net cash flows provided by/(used in) financing activities	(1,179,262)	(247,938)
Net increase / (decrease) in cash and cash equivalents	28,138	(838,144)
Cash and cash equivalents at beginning of period	1,426,733	2,264,877
Cash and cash equivalents at end of period	1,454,871	1,426,733

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 2021

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 2021								
Revenue from external customers	3,143,119	2,129,393	1,384,398	1,491,301	2,059,510	2,978,443	-	13,186,164
EBITDA	589,496	356,570	116,969	(134,409)	312,799	147,022	(476,107)	912,340
Depreciation Expense	(323,403)	(137,829)	(44,328)	(77,217)	(182,276)	(314,579)	-	(1,079,632)
Finance Income	2,370	-	-	-	7	30	12,638	15,045
Interest Expense	(1,374)	-	-	-	-	-	(8,259)	(9,633)
Segment operating profit/(loss)	267,088	218,741	72,642	(211,625)	130,530	(167,527)	(471,727)	(161,878)
Total assets	4,293,830	762,571	571,253	4,449,509	2,057,481	3,125,920	929,284	16,189,848
Total liabilities	2,545,813	22,182	-	-	1,130,603	2,096,086	269,024	6,063,708
30 June 2020								
Revenue from external customers	2,980,956	1,874,603	1,263,191	860,582	1,835,660	2,469,772	-	11,284,764
EBITDA	343,596	251,972	121,981	(553,651)	(98,866)	(198,867)	(518,250)	(652,085)
Depreciation Expense	(163,635)	(48,654)	(53,701)	(13,521)	(87,929)	(68,351)	-	(435,791)
Finance Income	701	-	-	-	421	859	35,676	37,657
Interest Expense	(2,100)	-	-	-	-	-	(32,380)	(34,480)
Segment operating profit/(loss)	178,562	203,318	68,280	(567,172)	(186,374)	(266,359)	(514,954)	(1,084,699)
<i>Material items include:</i>								
Impairment of goodwill	-	-	-	-	(243,007)	-	-	(243,007)
Total assets	2,684,144	843,021	595,001	4,418,801	1,137,666	3,560,754	997,365	14,236,752
Total liabilities	947,455	119,076	710	-	96,866	2,273,974	660,071	4,098,152

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

	CONSOLIDATED	
	2021	2020
	\$	\$
a. Revenue		
Sale of bottled water, accessories and beverages; plastics blow moulding	13,186,164	11,284,764
	<u>13,186,164</u>	<u>11,284,764</u>
b. Cost of Sales		
Inventory expensed	8,203,104	6,994,137
Inventory write-off/(write-back)	(109,006)	(34,015)
	<u>8,094,098</u>	<u>6,960,122</u>
c. Finance Income		
Interest received	15,045	37,657
	<u>15,045</u>	<u>37,657</u>
d. Finance Costs		
Finance charges payable under finance leases and hire purchase contracts	225,532	34,480
	<u>225,532</u>	<u>34,480</u>
e. Employee Benefits Expense		
Wages and salaries	2,583,733	2,687,188
Workers compensation costs	68,566	94,055
Superannuation costs	393,713	391,646
Provisions for annual and long service leave	74,957	82,180
Other employee benefits expense	223,532	242,451
	<u>3,344,501</u>	<u>3,497,520</u>
f. Depreciation & Amortisation		
Depreciation expense	1,079,632	666,231
	<u>1,079,632</u>	<u>666,231</u>

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2021	2020
	\$	\$
Current		
Trade receivables	1,166,674	1,039,089
Provision for impairment of receivables	(7,357)	(23,409)
	1,159,317	1,015,680
Other receivables	54,399	151,924
	1,213,716	1,167,604

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			31-60	61-90	>90	
Consolidated 2021						
Trade receivables	1,159,317	(7,357)	352,193	86,245	20,840	707,396
Other receivables	54,399	-	-	-	-	54,399
	1,213,716	(7,357)	352,193	86,245	20,840	761,795
2020						
Trade receivables	1,015,680	(23,409)	271,187	77,226	-	690,676
Other receivables	151,924	-	-	-	-	151,924
	1,167,604	(23,409)	271,187	77,226	-	842,600

4. INVENTORIES

	CONSOLIDATED	
	2021	2020
	\$	\$
Raw materials (at cost)	1,212,747	1,290,715
Finished goods (at cost)	880,904	817,587
Total inventories at cost	2,093,651	2,108,302
Provision for slow moving inventories	(50,956)	(40,751)
	2,042,695	2,067,551

PRELIMINARY FINAL REPORT
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2021	2020
	\$	\$
Current		
Trade payables	721,860	520,970
Other payables	252,886	213,448
	<u>974,746</u>	<u>734,418</u>

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

6. ACQUISITION

Nil

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

On 30 June 2021, Refresh Eneco owns 5,700,000 shares in Eve Investments Ltd, which is listed on the Australian Securities Exchange (ASX:EVE). This is carried in its books at \$0.004 per share, being the last traded price on ASX on 30 June 2021. The fair value changes have been accounted for through OCI.

8. SIGNIFICANT EVENTS

Nil

9. EVENTS AFTER THE BALANCE SHEET DATE

Nil

10. CONTINGENT ASSETS & LIABILITIES

There is no contingent liability between 30 June 2021 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.