



Eneco Refresh Limited (ABN 28 079 681 244)
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Tuesday, 26 April 2022

ASX Announcement
 (ASX: ERG)

Quarterly Activity Report to March 2022

Eneco Refresh Ltd (Eneco) is pleased to provide a review for the third quarter ending March 2022. Total revenue for the first 9 months by Cash Generating Units (CGU) compared to the same period last financial year are as follows:

<u>Cash Generating Units</u>	<u>Revenue</u>		<u>Variance</u>
	<u>Jul 21 – Mar 22</u>	<u>Jul 20 – Mar 21</u>	
	<i>\$'000</i>	<i>\$'000</i>	
Western Australia (WA)	2,931	2,476	18%
New South Wales (NSW)	1,714	1,597	7%
Victoria (VIC)	1,304	1,073	21%
Northern Territory (NT)	1,030	1,062	-3%
Queensland (QLD)	<u>1,789</u>	<u>1,574</u>	13%
Refresh Waters	8,768	7,782	12%
Refresh Plastics	<u>1,967</u>	<u>2,530</u>	-22%
Total	<u>10,735</u>	<u>10,312</u>	4%

A good increase in revenue for the quarter has resulted in substantial cash inflow. There was no significant expenditure for the quarter. A summary of expenditure incurred compared to the previous quarter is as follows:

	<u>March Quarter</u>	<u>Dec Quarter</u>
	<i>\$'000</i>	<i>\$'000</i>
Product manufacturing and operating costs	2,040	2,284
Advertising and marketing	160	174
Leased premises	264	248
Staff costs *	713	794
Purchase of plant and equipment	50	141

* Includes \$66k paid as director fees and salaries

Eneco continues to manufacture at 7 bottled water factories across Australia and 1 plastic factory in Melbourne.



Refresh Waters

Sales increased in the third quarter. Total sales growth for the first nine months was 12% compared to the same period last year. This is despite the disruptions caused by COVID-19 lockdowns and isolation.

WA continued to grow well at 18% with increased supply to mining companies. This benefited both our Perth and Kalgoorlie factories.

NSW is improving well achieving 7% growth year-to-date despite a negative 6% in the first quarter caused by prolonged lockdowns.

VIC is now our fastest growing CGU. The growth came mainly from the supply of distilled water for commercial use. The new distiller installed has helped it meet with market demand and there is no longer any need to freight distilled water from our Sydney factory.

With floods and road closure coupled with COVID isolations, NT had a 3% negative variance in sales.

QLD also did well with a 13% increase in revenue coming mainly from increased sales to Woolworths.

With global disruptions in our supply chain, we had several shipment delays of our imported raw materials. While this has resulted in a stock out situation for several products it has not adversely affected our operations.

Refresh Plastics

Refresh Plastics sales declined by 22% for the nine months. Some of the sales secured in the last period because of COVID-19 were not repeated in this period, e.g. bottles and containers for sanitisers. We had very good sales of our Ampii activity toys in the previous period. While sales continue to be better than pre-COVID-19, sales growth has slowed.

This announcement was authorised for release by Henry Heng, Executive Chairman.

For more information, please contact:

Henry Heng

Executive Chairman

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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 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,918	10,927
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,040)	(6,719)
(c) advertising and marketing	(160)	(457)
(d) leased assets	(264)	(783)
(e) staff costs	(713)	(2,241)
(f) administration and corporate costs		
1.3 Dividends received (see note 3)		
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	1	57
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	743	790

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	(235)
	(d) investments		(10)
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		9
	(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)	(236)
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		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (AASB16 adjustments and depreciation)	(405)	(405)
3.10	Net cash from / (used in) financing activities	(405)	(405)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	1,315	1,455
4.2	Net cash from / (used in) operating activities (item 1.9 above)	743	789
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(236)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(405)	(405)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,603	1,603

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	468	430
5.2	Call deposits	1,135	885
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)	1,603	1,315

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	66
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)	743
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,603
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,603
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: 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: 26 April 2022



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.