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Wednesday, 21 October 2020

ASX Announcement
(ASX: ERG)

Quarterly Activity Report to September 2020

Eneco Refresh Ltd (the Group) is pleased to provide a review for the quarter ended September 2020. Our cash balance increased by $441,000 compared to the end of the previous quarter. A strong revenue growth resulted in the Group generating positive cash flow of $240,000 from its operating activities. This was also helped by government packages. We sold part of our investment in Eve Investments Ltd, resulting in a cash inflow of $265,000.

A breakdown of sales by Cash Generating Units is presented below. The Group is able to achieve good growth, mainly contributed by Refresh Waters Darwin and Refresh Plastics. Total Refresh Waters sales was up 4% compared to the same period last year. We had a substantial 39% increase in revenue at Refresh Plastics, helping to achieve a total growth of 12%. The Group has done very well despite the pandemic.

Revenue	**Jul-Sep 20**	**Jul-Sep 19**	**Variance**
Cash Generating Units	$'000	$'000	
Western Australia	695	722	-4%
New South Wales	389	483	-19%
Victoria	302	302	0%
Northern Territory	360	173	108%
Queensland	435	419	4%
Refresh Waters	2,181	2,099	4%
Refresh Plastics	840	604	39%
Total Group	**3,021**	**2,704**	12%

Refresh Waters

Most businesses have resumed in Western Australia which helped to stabilise sales. New South Wales had a high negative sales variance because of a big drop in our custom labelled bottled water business, with most companies cutting back on promotions. Despite the lockdown in Victoria with many businesses closed, we were able to remain open, achieving comparable sales. Northern Territory is growing very well and we are currently trading towards profitability. Queensland was hardly affected by the pandemic, achieving a 4% growth.

…../2

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Refresh 2-litre demineralised water started to be sold in the laundry aisle of Woolworths supermarkets since late September 2020. This is Australia-wide except in Western Australia and Northern Territory. It will boost sales in New South Wales, Victoria and Queensland henceforth.

Traditionally, we sell more water in summer than in winter. With the weather warming up and most businesses reopened except in Victoria, we expect sales to continue to improve.

Refresh Plastics

One very important thing that has come out of the pandemic is the reliability of Australian-based manufacturing and supply, compared to imports. With the high salary structure within Australia, there are very few things that can be produced cheaply in Australia. However, more and more businesses are turning to local manufacturers in their supply chain management and his has benefited our plastics factory immensely.

Demand for our Ampi activity toys continues to be strong. This will continue into this quarter which traditionally sees a surge in sales leading up to Christmas.

This announcement was authorised by Henry Heng, Executive Chairman.

For more information, please contact:
Henry Heng
Executive Chairman
henry@eneco-refresh.com.au

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Rule 4.7B

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Eneco Refresh Limited	
ABN	**Quarter ended ("current quarter")**
28 079 681 244	**30 September 2020**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,834	2,834
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(1,764)	(1,764)
	(c) advertising and marketing	(157)	(157)
	(d) leased assets	(245)	(245)
	(e) staff costs	(811)	(811)
	(f) administration and corporate costs		
1.3	Dividends received (see note 3)		
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	(5)	(5)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	382	382
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**240**	**240**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	(44)	(44)
	(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	30	30
	(d) investments	265	265
	(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**	**251**	**251**

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	(50)	(50)
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**	**(50)**	**(50)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	1,427	1,427
4.2	Net cash from / (used in) operating activities (item 1.9 above)	240	240
4.3	Net cash from / (used in) investing activities (item 2.6 above)	251	251
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(50)	(50)
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,868**	**1,868**

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	783	602
5.2	Call deposits	1,085	825
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)**	**1,868**	**1,427**

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	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	383	383
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	383	383

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.

CBA Loans:

Secured: $33k – hire purchase @ 4.69% pa

Unsecured: $350k – market rate

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	100
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,868
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,968
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	n/a

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.

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

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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	

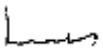
Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: ..... 21 October 2020 .....



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.

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