



## Appendix 4E

### Preliminary Final Report period ending 30 June 2019

#### Results for announcement to the market

Financial Results			June 2019	June 2018
Revenue from ordinary activities	Up	3.4%	9,086,063	8,784,287
Comprehensive Profit / (Loss) from ordinary activities after tax attributable to members	Down	11%	(1,017,606)	(1,138,061)

Dividends	2019 Final Dividend	2018 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 2019	June 2018
Net tangible asset backing per ordinary security	\$0.04	\$0.03

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## COMMENTARY

Eneco Refresh is pleased to announce that it has achieved a 3.4% increase in revenue and trimmed its loss by 11% compared to the previous financial year.

New South Wales continues to do well with an increase of 9% in revenue and 26% in profit. It continues to be our most profitable business segment for the second year running.

Victoria has also improved 5% in revenue and 4% in profit.

Western Australia has declined partly due to the sharp growth of Aldi which has resulted in the closure of a number of IGA supermarkets who stock the Company's products. The closures have impacted on sales and also resulted in bad debts.

The acquisition of NT Beverages' assets in Darwin will result in losses in the immediate future but the Company is confident of profits in the future.

Following the buyback of 51% of Queensland on 2 January 2019, Queensland's accounts have now been consolidated with our financials. Queensland made a profit in the first half but due to technical issues, there was a downturn in the second half. Those issues have now been rectified and Queensland is on track to make profit going forward.

Following a comprehensive review, management in Refresh Plastics has now ceased production of lower margin items to free up the machines for products with higher gross margins. Management is also working on sales growth into the next quarter. With the launch of a new and better model of Petainer keg, we expect sales of kegs to improve significantly.

Corporate cost was much higher partly because of expenses incurred when Eneco took a 51% stake in the Company. Added to the loss is the impairment of goodwill amounting to \$253k (previous year \$409k).

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Variance</u>
	\$'000	\$'000	
<b>Revenue</b>			
WA	2,879	3,007	-4%
NSW	2,042	1,873	9%
VIC	1,234	1,180	5%
NT <sup>1</sup>	96	-	
<b>Refresh Waters</b>	<b>6,251</b>	<b>6,060</b>	<b>3%</b>
<b>Refresh Waters Qld <sup>2</sup></b>	<b>889</b>	<b>-</b>	
<b>Refresh Plastics</b>	<b>1,946</b>	<b>2,724</b>	<b>-29%</b>
<b>Eneco Refresh</b>	<b>9,086</b>	<b>8,784</b>	<b>3%</b>
<b>Profit/Loss</b>			
WA	19	145	-87%
NSW	206	164	26%
VIC	143	137	4%
NT <sup>1</sup>	51	-	
<b>Refresh Waters</b>	<b>419</b>	<b>446</b>	<b>-6%</b>
<b>Refresh Waters Qld <sup>2</sup></b>	<b>-1</b>	<b>-</b>	
<b>Refresh Plastics</b>	<b>-462</b>	<b>-590</b>	<b>22%</b>
<b>Eneco Australia</b>	<b>-11</b>	<b>-</b>	
<b>Corporate</b>	<b>-710</b>	<b>-585</b>	<b>-39%</b>
<b>Goodwill written off</b>	<b>-253</b>	<b>-409</b>	<b>38%</b>
<b>Total Loss</b>	<b>-1,018</b>	<b>-1,138</b>	<b>11%</b>

<sup>1</sup> Acquired 3 April 2019

<sup>2</sup> Consolidated only from 2 Jan 2019

**PRELIMINARY FINAL REPORT**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	CONSOLIDATED	
		2019	2018
		\$	\$
Revenue	2a	9,086,063	8,784,287
Cost of Sales	2b	(4,943,005)	(5,363,787)
<b>Gross Profit</b>		4,143,058	3,420,500
Other income		28,172	3,702
Marketing Expenses		(723,213)	(628,981)
Distribution Expenses		(1,402,907)	(1,183,396)
Administrative Expenses		(1,836,109)	(1,498,300)
Occupancy Expenses		(826,846)	(709,484)
Impairment of Goodwill		(253,130)	(409,000)
Other expense		-	(500)
Share of Net Profits/ (Loss) of associates		15,808	495
<b>Results from operating activities</b>		(855,167)	(1,004,964)
Finance income	2c	9,293	12,902
Finance costs	2d	(60,570)	(70,999)
<b>Profit/ (Loss) before income tax</b>		(906,444)	(1,063,061)
Income tax expense		-	-
<b>Profit/ (Loss) for the year from continuing operations</b>		(906,444)	(1,063,061)
<b>Profit/ (Loss) for the year</b>		(906,444)	(1,063,061)
<b>Other comprehensive income</b>			
Fair value gains/ (loss) on available-for-sale financial assets		(111,162)	(75,000)
<b>Total comprehensive income/ (loss) for the period</b>		(1,017,606)	(1,138,061)
Basic earnings per share (cents per share)		(0.51)	(0.80)

The accompanying notes form part of the Statement of Comprehensive Income

**PRELIMINARY FINAL REPORT**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2019

	Notes	CONSOLIDATED	
		2019	2018
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,264,876	378,128
Trade and other receivables	3	1,126,360	1,049,207
Inventories	4	2,107,656	1,279,474
<b>Total Current Assets</b>		<b>5,498,892</b>	<b>2,706,809</b>
<b>Non-Current Assets</b>			
Other receivables	3	-	246,010
Property, plant and equipment		6,975,905	2,480,154
Intangible assets		704,798	451,542
Investment in Associate	8	-	492,216
Other financial assets	9	185,270	300,000
<b>Total Non-current assets</b>		<b>7,865,973</b>	<b>3,969,922</b>
<b>TOTAL ASSETS</b>		<b>13,364,865</b>	<b>6,676,731</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	827,582	684,598
Financial liabilities		261,355	261,355
Short-term provisions and accruals		660,033	468,838
Current tax liabilities		(34,903)	-
<b>Total Current Liabilities</b>		<b>1,714,067</b>	<b>1,414,791</b>
<b>Non-current Liabilities</b>			
Financial liabilities		419,490	680,844
Long-term provisions		48,242	114,798
<b>Total Non-current Liabilities</b>		<b>467,732</b>	<b>795,642</b>
<b>TOTAL LIABILITIES</b>		<b>2,181,799</b>	<b>2,210,433</b>
<b>NET ASSETS</b>		<b>11,183,066</b>	<b>4,466,298</b>
<b>EQUITY</b>			
Issued capital		18,320,875	10,495,698
Reserves		191,712	191,712
2014 Profit Reserve		356,409	356,409
Accumulated losses		(7,685,930)	(6,577,521)
<b>TOTAL EQUITY</b>		<b>11,183,066</b>	<b>4,466,298</b>

The accompanying notes form part of the Statement of Financial Position

**PRELIMINARY FINAL REPORT**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
AS AT 30 JUNE 2019

	<b>Issued Capital</b>	<b>Other Reserves</b>	<b>Financial Assets Revaluation Reserve</b>	<b>2014 Profit Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>Balance at 1 July 2017</b>	10,495,698	191,712	75,000	356,409	(5,514,460)	5,604,359
Issue of share capital	-	-	-	-	-	-
Equity fund raising costs	-	-	-	-	-	-
Fair value gain/(loss) on available-for sale financial assets	-	-	(75,000)	-	-	(75,000)
	10,495,698	191,712	-	356,409	(5,514,460)	5,529,359
Total Profit/(Loss) for the year	-	-	-	-	(1,063,058)	(1,063,058)
<b>Balance at 30 June 2018</b>	<b>10,495,698</b>	<b>191,712</b>	<b>-</b>	<b>356,409</b>	<b>(6,577,518)</b>	<b>4,466,301</b>
<b>Balance at 1 July 2018</b>	10,495,698	191,712	-	356,409	(6,577,518)	4,466,301
Issue of share capital	8,234,165	-	-	-	-	8,234,165
Equity fund raising costs	(408,988)	-	-	-	-	(408,988)
Fair value gain/(loss) on available-for sale financial assets	-	-	(111,162)	-	(90,808)	(201,970)
	18,320,875	191,712	(111,162)	356,409	(6,668,326)	12,089,508
Total Profit/(Loss) for the year	-	-	-	-	(906,444)	(906,444)
<b>Balance at 30 June 2019</b>	<b>18,320,875</b>	<b>191,712</b>	<b>(111,162)</b>	<b>356,409</b>	<b>(7,574,770)</b>	<b>11,183,064</b>

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 2019**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	9,566,610	9,153,438
Payments to suppliers and employees	(10,544,086)	(9,237,181)
Borrowing costs	(67,684)	(70,998)
Interest received	18,265	7,006
<b>Net cash flows provided by operating activities</b>	<u>(1,026,895)</u>	<u>(147,735)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment, and investment	51,932	8,773
Purchase of property, plant and equipment	(4,715,869)	(206,060)
<b>Net cash flows provided by/(used in) investing activities</b>	<u>(4,663,937)</u>	<u>(197,287)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	8,234,165	-
Proceeds from borrowings	106,309	-
Share Issue expenses	(408,988)	-
Dividends Paid	-	-
Repayments of borrowings	(377,407)	(258,548)
<b>Net cash flows provided by/(used in) financing activities</b>	<u>7,554,079</u>	<u>(258,548)</u>
Net increase / (decrease) in cash and cash equivalents	1,863,247	(603,570)
Cash and cash equivalents at beginning of period	401,629	981,698
<b>Cash and cash equivalents at end of period</b>	<u>2,264,876</u>	<u>378,128</u>

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 2019**

**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	QLD <sup>2</sup>	NT <sup>3</sup>	Plastics	OTHER (Corporate)	TOTAL
<b>30 June 2019</b>								
Revenue from external customers	2,878,494	2,041,804	1,234,217	889,098	96,693	1,945,756	-	9,086,063
Other Income	8,562	4,303	3,369	(134)	11,545	108	9,712	37,465
Impairment of Goodwill	-	-	-	253,130			-	
Interest Expense	9,814	-	-	(115)				9,700
Depreciation Expense	162,820	48,008	51,591	49,729	2,011	62,807	-	376,966
Segment operating profit/(loss)	19,171 <sup>1</sup>	206,438	143,123	(254,538)	50,680	(461,828)	(720,652)	(1,017,606)
Total assets	3,257,169	764,852	497,692	1,400,285	4,329,213	1,839,504	1,519,156	13,607,871
Total liabilities	905,643	3,118	1,029	85,113		393,824	1,036,079	2,424,806
<b>30 June 2018</b>								
Revenue from external customers	3,006,708	1,873,162	1,179,822			2,724,595	-	8,784,287
Other Income	(298)	4,000	-			-	-	3,702
Impairment of Goodwill	-	-	-			409,000	-	409,000
Other Expense	-	-	500			-	-	500
Interest Expense	8,168	-	-			62,708	123	70,999
Depreciation Expense	169,564	54,938	49,875			58,121	-	332,498
Segment operating profit/(loss)	144,866 <sup>1</sup>	164,304	137,087			(999,237)	(510,081)	(1,063,061)
Total assets	3,205,003	821,654	514,366			1,673,527	462,181	6,676,731
Total liabilities	799,900	3,484	95			382,744	1,024,210	2,210,433

<sup>1</sup> Includes Profit from Associate

<sup>2</sup> Consolidated only from 2 Jan 2019

<sup>3</sup> Acquired 3 April 2019

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**PRELIMINARY FINAL REPORT**  
**NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**2. REVENUE AND EXPENSES**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>a. Revenue</b>		
Sale of bottled water, accessories and beverages; plastics blow moulding	9,086,063	8,784,287
	<u>9,086,063</u>	<u>8,784,287</u>
<b>b. Cost of Sales</b>		
Inventory expensed	5,051,686	5,270,998
Inventory write-off	(108,681)	92,789
	<u>4,943,005</u>	<u>5,363,787</u>
<b>c. Finance Income</b>		
Interest received	9,293	12,902
	<u>9,293</u>	<u>12,902</u>
<b>d. Finance Costs</b>		
Bank loans and other borrowings	-	-
Finance charges payable under finance leases and hire purchase contracts	60,570	70,999
	<u>60,570</u>	<u>70,999</u>
<b>e. Employee Benefits Expense</b>		
Wages and salaries	2,486,525	2,756,224
Workers compensation costs	78,547	61,428
Superannuation costs	302,604	302,411
Provisions for annual and long service leave	3,631	6,685
Other employee benefits expense	-	55,176
	<u>2,871,307</u>	<u>3,181,924</u>
<b>f. Depreciation &amp; Amortisation</b>		
Depreciation expense	376,966	332,498
Amortisation	-	500
□	<u>376,966</u>	<u>332,998</u>



**PRELIMINARY FINAL REPORT**  
**NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**3. TRADE AND OTHER RECEIVABLES**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	\$	\$
Current		
Trade receivables	876,929	844,495
Provision for impairment of receivables	(15,378)	(10,625)
	861,551	833,870
Other receivables	127,081	53,710
Prepayments	137,728	161,627
	1,126,360	1,049,207
Non-Current		
Loan to Associate	-	246,010
	-	246,010

	<b>Gross Amount</b>	<b>Past due and impaired</b>	<b>Past due but not impaired (days overdue)</b>			<b>Within initial trade terms</b>
			<b>31-60</b>	<b>61-90</b>	<b>&gt;90</b>	
<b>Consolidated</b>						
<b>2019</b>						
Trade receivables	876,929	(15,378)	280,509	23,581	(7,870)	580,709
Other receivables	127,081	-	-	-	-	127,081
	1,004,010	(15,378)	280,509	23,581	(7,870)	707,790
<b>2018</b>						
Trade receivables	844,495	(10,625)	343,052	44,673	5,968	440,177
Other receivables	53,710	-	-	-	-	53,710
	898,205	(10,625)	343,052	44,673	5,968	493,887

**4. INVENTORIES**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	\$	\$
Raw materials (at cost)	1,379,156	661,813
Finished goods (at cost)	774,052	649,861
Total inventories at cost	2,153,208	1,311,674
Provision for slow moving inventories	(45,552)	(32,200)
	2,107,656	1,279,474

**PRELIMINARY FINAL REPORT**  
**NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**5. TRADE AND OTHER PAYABLES**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade payables	573,918	464,803
Other payables	253,664	219,795
	<u>827,582</u>	<u>684,598</u>

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

**6. BUSINESS COMBINATION**

On 2 Jan 2019, Eneco Refresh bought back 20,000 issued and fully paid shares in Refresh Waters Queensland Pty Ltd (RWQ) increasing its shareholding by 2% to 51% and thereby making RWQ a subsidiary instead of associate company. On 1 Feb 2019, Eneco Refresh bought back the remaining 490,000 issued and fully paid shares in RWQ increasing its shareholding to 100%, making RWQ a wholly-owned subsidiary.

Details of the consideration paid to vendors:

	<b>\$</b>
Cash consideration (20,000 ordinary shares in RWQ)	16,109
Cash consideration (490,000 ordinary shares in RWQ)	<u>394,658</u>
Total purchase consideration	<u>410,767</u>

**7. ACQUISITION**

On 3 April 2019, Eneco Refresh bought the assets of NT Beverages Group Pty Ltd (in liquidation). This comprises:

	<b>\$</b>
Factory land and building	3,400,000
Water source land and building	300,000
Plant and equipment	91,245
Stock	10,000
Intellectual property	<u>5,000</u>
Total purchase consideration	<u>3,806,245</u>

**8. ASSOCIATE**

Nil

**9. INVESTMENT**

Refresh Eneco owns 37,053,974 shares in Eve Investments Ltd, which is listed on the Australian Securities Exchange (ASX). This is carried in its books at \$0.005 per share, being the last traded price on ASX as at 30 June 2019.

**PRELIMINARY FINAL REPORT  
NOTES TO AND FORMING PART OF PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

**10. SIGNIFICANT EVENTS**

On 2 Nov 2018, the Group issued 10,000,000 shares at \$0.05 to Eneco Investment Pte Ltd (Eneco), a company registered in Singapore. Following approval by shareholders at General Meeting on 8 Jan 2019, the Group issued 128,902,757 shares at \$0.06 to Eneco on 16 Jan 2019. Eneco now owns 51% of the Group and as such, Eneco Refresh Ltd became a subsidiary of Eneco Investment Pte Ltd. At General Meeting on 12 March 2019, a resolution was passed to change its name from Refresh Group Ltd to Eneco Refresh Ltd.

**11. EVENTS AFTER THE BALANCE SHEET DATE**

Nil

**12. CONTINGENT ASSETS & LIABILITIES**

There is no contingent liability between 30 June 2019 and the date of this report.

**13. 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.

**14. UNAUDITED APPENDIX 4E**

This report is in the process of being audited.