

**EVZ LIMITED**

**Quarterly Activity Report  
& Appendix 4C  
3QFY2023**

31 March 2023



# Quarterly Update

## Tank Industries Achieves Financial Close

### Key Highlights

- Cash receipts of \$27.9M for the quarter up 201% from previous corresponding period. A net cash inflow of \$0.46M driven by prepayments on projects but incorporating the acquisition expense of Tank Industries.
- At 31 March 2023, the Company had \$13.4M in cash and cash equivalents, with zero drawn debt.
- EVZ Limited achieved financial close on the Tank Industries Australia Pty Ltd acquisition of 10 January 2023. The business is forecast to be earnings accretive during FY23 and beyond following a period of strategic and operational alignment with Syfon Systems.
- EVZ continues to secure new contract wins across all businesses and maintains a solid contracted backlog position of circa \$85M.
- Continued improved industry outlook across the Australian and Asian markets will provide further opportunities for organic and acquisitive growth.

### GENERAL BUSINESS

EVZ has delivered a strong financial and operating performance, with cash receipts up 201% on the previous corresponding period.

The group completed the acquisition of Tank Industries during the quarter expanding our reach in the water products industry. The business is currently undergoing strategic and operational realignment to improve its growth and profitability as it transitions into the EVZ group.

The group continues to seek out new businesses for acquisition to grow our market share in the Building Products sector and the Energy & Resources sector.

### BROCKMAN ENGINEERING

New senior management commenced at Brockman Engineering during the quarter to advance the businesses growth strategy and operating performance. Matthew Redmond, a highly experienced business leader from the tank industry, knowledgeable in the oil and gas sectors commenced with the business as General Manager taking over the role from Chris Bishop.

Javier Juchnewicz, a highly experienced industry leader, also commenced as General Manager – North, reporting directly to Matthew to grow and operate the Brockman business in NSW, QLD and NT.

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Javier and his team are located at our facility in Western Sydney to specifically focus on local clients upcoming projects and need for sustaining capital support.

Brockman currently has a diversified project portfolio currently delivering new water storage and liquid fuel tanks in Victoria, New South Wales and the Northern Territory in addition to supporting our sustaining capital and maintenance services client base in the regions.

Tendering activity during the quarter remained high as industries aligned with our market segments continued to invest in new energy and water infrastructure. Brockman is well positioned to secure a share of these contracts and remains available for further contract wins from our current client base in the liquid fuels, gas and water sectors.



Kalkallo Water Reservoir, Melbourne – Brockman Engineering

## SYFON SYSTEMS

Syfon Systems is benefitting from the buoyant market conditions in the Building Products sector delivering another strong performance in 3QFY23. Outlook in the Building Products sector remains strongly positive for FY23 and FY24 which is confirmed by our historically high contracted backlog and current high tendering activity levels.

Syfon Asia is returning to full operating capacity due to increasing demand for our services for new large infrastructure and building developments in Kuala Lumpur, Penang and Vietnam. Our strategic investment in the Indonesian market is expected to benefit from the increasing built infrastructure needs over the next decade to form a significant part of our Asian business.

## TANK INDUSTRIES

To coincide with the commencement of operations we recently appointed Len Mueller, an experienced leader in the water Building Products sector, as our new General Manager of Tank Industries Australia. Len and his team will implement our new market strategy and transition the operational performance of the business to achieve growth and profitability in conjunction with the team at Syfon Systems.

# Quarterly Update



Darwin Water Storage Tanks – Tank Industries

## TSF POWER

The TSF Power operational service and power generation parts sales continue to grow with the securing of a new contract with Cleanaway to support their Kemps Creek waste management facility. Our services are in continuous demand as the use of renewable gas as an energy source rises in line with market demands for a lower carbon future in the transition to net zero.

Customer demand for our technical support and our value added offering has risen across all four of our operating segments: gas engine service and maintenance, gas engine spare parts sales, gas engine replacement and renewal, and standby power plant maintenance.

TSF Power is consistently pursuing new long term parts sale agreements and long-term operations support contracts with additional large institutional and waste management entities in Australia and New Zealand.

## BALANCE SHEET AND CASH FLOW

EVZ reported an operating cash inflow of \$1.02M during the quarter driven by project prepayments and operating profits. Operating cashflow for the fiscal year to date is positive at \$6.0M. The Company has \$13.4M in cash and cash equivalents, with zero drawn debt.

During the quarter, payments to related parties and their associates totalled \$52k. These related party payments consisted of consulting fees paid for non-executive Director related services. All payments were on normal commercial terms.

# Appendix 4C

Name of entity

EVZ Limited

ABN

87 010 550 357

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	27,961	85,353
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(12,494)	(37,177)
	(c) advertising and marketing	(65)	(193)
	(d) leased assets	(467)	(1,101)
	(e) staff costs	(10,301)	(31,049)
	(f) administration and corporate costs	(3,502)	(9,533)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	39	71
1.5	Interest and other costs of finance paid	(90)	(245)
1.6	Income taxes paid	(64)	(83)
1.7	Government grants & tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	<b>Net cash from/(used) operating activities</b>	<b>1,017</b>	<b>6,043</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire of for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property plant and equipment	(562)	(2,376)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(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)		
<b>2.6</b>	<b>Net cash from / (used) investing activities</b>	<b>(562)</b>	<b>(2,376)</b>

3.	Cash flows from financing activities		
3.1	Proceeds from issue of equity securities (excluding convertible debt securities)		
3.2	Proceeds from 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 ( <i>New Leases</i> )	-	1,116
3.6	Repayment of borrowings ( <i>Loan</i> )	-	(300)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used) financing activities</b>	<b>-</b>	<b>816</b>

<b>4.</b>	<b>Net increase/ (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,961	8,933
4.2	Net cash from / (used in) operating activities (item 2.6 above)	1,017	6,043
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(562)	(2,376)
<b>4.4</b>	<b>Net cash from / (used) financing activities (item 3.10 above)</b>	<b>-</b>	<b>816</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end period	13,416	13,416

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	13,416	12,961
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should be equal to item 4.6 above)	13,416	12,961

6. Payments to related entities of the entity and the associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1	52
6.2	Aggregate amount of cash flow from loans to these parties 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.

7.	<b>Financing facilities</b> 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.	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Bank Guarantee Facility )	7,000	4,115
7.4	<b>Total financing facilities</b>	<b>7,000</b>	<b>4,115</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>2,885</b>
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 entering into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The interest rate on the bank guarantee facility is 3.5%. The bank guarantee facility is reviewed annually.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	1,017
8.2	Cash and cash equivalent at quarter end (item 4.6)	13,416
8.3	Unused finance facilities available at quarter end (item 7.5)	2,885
8.4	Total available funding (item 8.2 + item 8.3)	16,301
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
	Note: if the entity has reported positive net operating cash flow 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 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 meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	Note: Where item 8.5 is less than 2 quarters, all questions, 8.6.1, 8.6.2 and 8.6.3 must be answered.	

# Compliance statement

1. This statement has been prepared in accordance with the 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: 28 April 2023

Authorised by: By the EVZ Limited Board

## 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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