



ASX Announcement

31st October 2023

September 2023 – Quarterly Activity Report

The Original Juice Co. Ltd (**Company**) is pleased to update the market on activity levels for the quarter ended 30 September 2023.

Highlights

- **Record Q1 sales with gross sales of \$13.4m, an increase of 23% on Q1 September 2022.**
- **Cash receipts from customers of \$11.1m during the quarter and a cash balance of \$0.9m as at 30 September 2023.**
- **Considerable investment in working capital, sales growth, new product development and balance sheet.**

Activities during Q1 of FY2024

The Company ended the quarter with a cash balance of \$0.9m. Quarterly operating cash outflow for the period was \$1.1m.

Manufacturing and operating expenditure of \$9.5m for the quarter was in line with expectations, driven by the uplift in sales for the first quarter.

Cash expenditure beyond general trade for the quarter included the significant investment in raw materials stock-build to support upcoming Q2 growth, new upcoming ranging in the supermarkets, continued paydown of balance sheet payables and step changes in trading terms with new contracts (Aldi growth).

Payments to related parties during the quarter

In accordance with Listing Rule 4.7C.3, and as noted in section 6 of the Appendix 4C Cashflow Statement, during the September 2023 quarter the aggregated number of payments made to related parties and their associates totaled \$61k, comprising directors fees.

Q4 – Upward step change in revenues

Strong revenue growth continued in Q1 FY24, with revenue up 23% on the prior comparative period to \$13.4m. This reflects continued growth in both branded and private label products, including expanded ranging in supermarkets and additional private label offerings across Aldi and Woolworths.

Brand update

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Juice Lab range

- Shots remain a market leading wellness beverage and continue to improve market share with strong growth. Distribution through the major supermarkets continues to rise, as does the volume of unit sales per store.
- New product development in this category continues, with an announcement about a new range to complement (and expand on) the current product line-up expected in Q2.

Original Juice Company range

- The Original Juice Company range delivered growth of 8.2% in the quarter, exceeding category growth of 2.7%. Additional products announced for Q2, including an expansion of the 600ml range in supermarkets, will further support sales growth in FY24.

Private Label and Industrial Sales

- The private label plan is locked-in for FY24. Costs of procurement are expected to rise in the second half, so the company will continue to work with retailers to adjust price accordingly.
- OJC also continues to pursue new distribution channels, led by a push into the petrol & convenience sector, with an announcement in this space expected in the first half of FY24.

Export range

- OJC continues to seek export opportunities, particularly through our extended shelf-life (ESL) juice range. Two shipments (6 containers) of bottled juice were sent to our export customers during the first quarter. Currently bottled offsite with a third-party bottler, the company is constantly working to ensure our highest quality standards are met before potential expansion in this area.

The Original Juice Co. Ltd CEO, Steven Cail, commented:

“Q1 FY2024 saw a continuation of our growth strategy. While the top line is moving positively, we’re still conscious of the need to make the bottom line stronger.

Cost pressures on the business are significant, but the plan is continued growth despite increased costs. Our innovation and new product development is largely directed at higher margin products, and the growth of our Juice Lab range, along with plans to maximise our fruit by-products, can help combat these pressures in the mid to long term.

Higher cost of debt has increased the importance of cash, so improving our balance sheet is a priority. We continue to reduce payables and stay on track to pay down debt. Our products are in demand from customers, as proven by our growth, so further investment to accelerate further growth is a viable option.

We expect to make some key announcements in Q2 as we push and solidify our future with ongoing growth momentum, while internally focusing on the bottom line and combating inflationary cost pressures.”

This announcement was authorised by the Company's Board of Directors.

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About The Original Juice Co. Limited

The Original Juice Co. Limited (ASX: OJC) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits and fruit waters that are sold as branded products or ingredients to customers domestically and overseas.

OJC uses a range of processing technologies, including Counter Current Extraction (CCE) technology which was developed in conjunction with Australia's CSIRO to extract juice from fruit and vegetables. Its processing facilities are located in Mill Park, Victoria.

OJC is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australian and key international markets, including China.

Appendix 4C

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

Name of entity

The Original Juice Co. LTD

ABN

20 150 015 446

Quarter ended ("current quarter")

30 September 2023

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	11,062	11,062
1.2 Payments for		
(a) research and development	(141)	(141)
(b) product manufacturing and operating costs	(9,495)	(9,495)
(c) advertising and marketing	(88)	(88)
(d) leased assets	(286)	(286)
(e) staff costs	(1,748)	(1,748)
(f) administration and corporate costs	(283)	(283)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(161)	(161)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,140)	(1,140)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) Entities	-	-
(b) Businesses	-	-
(c) property, plant and equipment	(356)	(356)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
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)	-	-
2.6	Net cash from / (used in) investing activities	(356)	(356)

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	1,160	1,160
3.6	Repayment of borrowings	(321)	(321)
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	839	839

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,563	1,563
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,140)	(1,140)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(356)	(356)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	839	839
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	906	906

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	906	1,564
5.2	Call deposits	-	-
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)	906	1,564

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Payment for director fees	61

7.	Financing facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	6,694	6,401
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	6,697	6,401
7.5	Unused financing facilities available at quarter end		293
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)	(1,140)
8.2	Cash and cash equivalents at quarter end (item 4.6)	906
8.3	Unused finance facilities available at quarter end (item 7.5)	293
8.4	Total available funding (item 8.2 + item 8.3)	1,199
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.05
	<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>	
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: The expectation moving into Q2 FY24 is that cash will improve as the company deploys stored inventory into blends, reducing the volume of fruit intake within Q2. In addition, Q2 sales are expected to be higher than Q1.	
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: The company will consider available options to raise additional funding if required. However, as noted in 8.6.1 the business expects to be operating cashflow positive in Q2 FY24 and beyond.	

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: Yes, the business believe it is able to continue its operations and meet its business objectives utilising inventory investments and higher sales growth throughout the remaining financial year.

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: 31st October 2023

Authorised by: The Board
(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.