



ASX Announcement

31st October 2024

September 2024 – Quarterly Activity Report

The Original Juice Co. Ltd (**Company**) is pleased to update the market on activity levels for the quarter ended 30 September 2024 (Q1).

Highlights

- **Record Q1 sales with gross revenue of \$16.9m, an increase of 25.1% on Q1 September 2023.**
- **Cash receipts from customers of \$14.5m during the quarter and a cash balance of \$1.0m as at 30 September 2024.**
- **Significant working capital build-up to support projected growth in FY25.**

Activities during Q1 of FY25

The Company ended the quarter with record Q1 sales of \$16.9m and a cash balance of \$1.0m. The quarterly operating cash outflow for the period was \$1.9m, with \$14.5m received from customers.

The manufacturing and operating expenditure of \$13.3m for the quarter was impacted by a \$2 million investment in inventory to support anticipated demand for the upcoming season. Also impacting the cash outflow were the increases in procurement costs, as cost pressures rose. Increases in citrus fruit prices (of circa 50% compared to Q1 of FY24) negatively impacted profitability for the quarter. However, the availability of fruit improved which reduced the previous efficiency and sales impacts relating to supply. Overall, the Company has shown an improvement in both profitability and cash flow compared to FY24 and expects this trend to continue throughout FY25. The Company has not experienced the same challenges with fruit availability that were encountered in FY24.

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 2024 quarter, the aggregated number of payments made to related parties and their associates totaled \$62k, comprising directors fees.

Q1 – Higher revenue

The Company's substantial revenue growth in Q1 FY25, which was up 25.1% on the prior comparative period to \$16.9m, highlights the strength of both the Original Juice Co (OJC) and Juice Lab brands in the market. OJC products remain a staple in family households, and with an increasingly diverse product range which now includes apple, pear and veggie variants, the portfolio offering is resonating with customers. Juice Lab continues double-digit growth, which is extremely pleasing, the new Recover shot has been introduced in Q1 and the business expects this growth to continue throughout FY25.

Pricing & Supply Update

To address cost pressures, the Original Black Label citrus ranges will see an in-market price rise of approximately 7%. Despite this adjustment, the citrus range will remain competitively priced per litre, with no major impacts to volumes expected. Pricing for the remaining OBL and Juice Lab products will be strategically managed through the promotional program, to align where demand exists, or supply becomes more readily available.

As mentioned previously, OJC have supply and capacity constraints in the short term. OJC will address both these issues by focusing on branded product mix and removing any high-volume private label that has a lower margin. These changes should have a positive impact on the bottom line throughout FY25. Medium term, the business will address capacity constraints via the proposed merger with SPC and Natures One Dairy, to access more production capacity to align with the expected larger sales footprint via domestic food service and exports.

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

"Another record growth quarter for OJC is pleasing. We have made no secret that the cost pressures have been a hinderance to the bottom line, and we know that we need to further improve our margins moving forward. But as a business, we continue to expand and grow in a marketplace that is very challenging.

Our new product development is first class, and with our increasing expansion of ranging on offer, as evidenced by OJCs consistent growth, we've managed to continually deliver products that resonate with our customers. The outlook for both the top and bottom line is improving, and it's a credit to the hard work of the team here at OJC.

Pleasingly, you will all be aware of the impending merger with SPC and Natures One Dairy. This is a strategic alliance that will be sure to benefit OJC shareholders by creating key business synergies in the form of top line growth opportunities (via increased capacity and new markets), and bottom-line growth opportunities (in the form of cost reductions/operating synergies).

It is an exciting opportunity to bring iconic brands and businesses together. Robert and the team forming under the newly merged group will bring further resources and experience to assist the merged entity to grow its market share. I can see the OJC growth plans accelerated under this new structure, and I am sure the future will be even more prosperous under the newer and bigger entity."

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

For more information, please contact:

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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 2024

| 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 | 14,474 | 14,474 |
| 1.2 Payments for | | |
| (a) research and development | (141) | (141) |
| (b) product manufacturing and operating costs | (13,340) | (13,340) |
| (c) advertising and marketing | (66) | (66) |
| (d) leased assets | (323) | (323) |
| (e) staff costs | (1,926) | (1,926) |
| (f) administration and corporate costs | (320) | (320) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (289) | (289) |
| 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 | (1,931) | (1,931) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) Entities | - | - |
| (b) Businesses | - | - |
| (c) property, plant and equipment | (594) | (594) |
| (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 | (594) | (594) |

| | | | |
|-------------|---|--------------|--------------|
| 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 | 2,908 | 2,908 |
| 3.6 | Repayment of borrowings | (684) | (684) |
| 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 | 2,224 | 2,224 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,318 | 1,318 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,931) | (1,931) |

| 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) | (594) | (594) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,224 | 2,224 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,017 | 1,017 |

| 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 | 1,017 | 1,318 |
| 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) | 1,017 | 1,318 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----|---|----------------------------|
| 6.1 | Payment for director fees | (62) |
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|-----------|--|---|--|
| 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 | 10,324 | 9,800 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | 10,324 | 9,800 |
| 7.5 | Unused financing facilities available at quarter end | | 524 |
| 7.6 | <p>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.</p> <p>1. \$2.37m NAB equipment finance loan at a fixed 4.2% interest. The equipment finance loan is secured over all of the company's assets and will be over a 5-year term.</p> <p>2. \$2.0m NAB invoice finance facility at 10.88% interest –is secured over all of the company's assets and reviewed by annually on an ongoing basis; this facility will be used for working capital, and as at 30 September 2024 the company had drawn \$1,758k from total \$2.0m available.</p> <p>3. \$4.4m NAB trade facility at 9.48% variable -is secured over all the company's assets and will be reviewed annually on an ongoing basis. As at 30 September 2024 the company had drawn down \$4,158 from the total \$4.4m available.</p> <p>4. \$674k NAB trade finance facility at 8.32% interest- is secured over all the company's assets with a maturity date of 9 September 2024. This trade finance facility will convert to an equipment finance loan upon commissioning of the new capital expenditure.</p> <p>5. \$88k NAB equipment finance loan at a fixed 7.86% interest. The equipment finance loan is secured over racking assets and will be over a 36-month term.</p> | | |

| | | |
|-----------|--|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,931) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 1,017 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 524 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 1,541 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | 0.80 |
| | <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 Company does not expect to have the current level of net operating cash flow for future periods. During Q1 FY25 there has been a significant amount of inventory built for usage throughout the remainder of the year to ensure the optimal juice blend. In addition, Q2 sales are expected to be higher than Q1 due to seasonality of sales.

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: Please refer to the Notice of Meeting announcement posted on the 24th October.

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 Company expects to be able to continue its operations and meet its business objectives by utilising the inventory investments made during Q1 FY25 and the increase in sales throughout the remainder of the 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: 31 October 2024

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.