EVZ limited
Engineering The Future

26 July 2022

Australian Securities Exchange (ASX)
Level 4, North Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

EVZ LIMITED - AMENDMENT TO APPENDIX 4C FOR THE QUARTER ENDING 30 JUNE 2022

EVZ Limited (ASX: EVZ) (the Company) advises that in accordance with ASX Listing rule 4.7.C.3 that the Appendix 4C for the quarter ended 30 June 2022, released to the ASX on 22 July 2022, contained an omission at section 6 (Payments to related parties of the entity and their associates).

Under item 6.1 (Aggregate amount of payments to related parties and their associates included in item 1) the company should have reported payments to related parties for the quarter of $45k. These related party payments consisted of consulting fees paid for director related services. All payments were on normal commercial terms.

Issued by order of the board.

Pieter van der Wal
Chief Financial Officer and Company Secretary

About EVZ Limited

EVZ Limited is an industrial group with a portfolio of specialist businesses in the engineering services sector. EVZ operates in the areas of fuel industry mechanical services including bulk tank design and construction, syfonic storm water and roof drainage and distributed power generation plant maintenance through subsidiaries, Brockman Engineering, Syfon Systems and TSF Power.

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Quarterly Activity Report & Appendix 4C

4QFY2022

30 June 2022

EVZ limited
Engineering The Future

Quarterly Update

Strong positive cashflow underpinned by record high contract backlog and imminent commencement of new large contacts.

Key Highlights

- **Strong positive cashflow of $6.3M:** EVZ delivered a strong positive cashflow of $6.3M during the quarter which includes a $3.7M capital raising in April 2022 to support revenue growth in FY2023 and beyond as new contracts in the liquid fuels, renewable gas energy and built infrastructure sectors commence.
- **Secured new contract wins:** EVZ secured new contracts in the liquid fuels, water and built infrastructure to maintain the backlog above $100M. This strong pipeline of new construction and capital projects is expected to commence in Q1FY2023 and underpin revenue growth for at least 24 months as further new projects are secured and proceed as forecast.
- **Tender activity remains strong:** Tender activity and demand for EVZ services is at an all time high across the Brockman, Syfon and TSF Power businesses.
- **Strengthened balance sheet and positioned for growth:** Positive operating cashflow in addition to the $3.7M capital raise has strengthening EVZ's balance sheet and provided working capital to support EVZ's strong pipeline of work.
- **Inflation cost control:** EVZ manages material cost price rises effectively by maintaining trade and material supply price coverage for all contract wins.

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GENERAL BUSINESS

In Q4 FY2022, EVZ delivered a consistent operating performance with additional new contract wins to position the group for growth in FY2023 and beyond. The business maintained its strong backlog position with additional contract wins whilst also responding to a high level of tendering activity and relationship based contract appointments.

We remain confident in the strength of the economic recovery post the COVID pandemic and in the outlook for the liquid fuels, renewable gas energy, and built infrastructure sectors, which we expect to drive revenue growth during FY2023 and FY2024.

During the quarter, payments to related parties and their associates totalled $45k. These related party payments consisted of consulting fees paid for director related services. All payments were on normal commercial terms.

Quarterly Update

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BROCKMAN ENGINEERING

Brockman will imminently commence site works on the $40M contract for Viva Energy for three new 30ML diesel tanks at the Geelong refinery. Brockman will also shortly commence work on three more new tank build contracts for a combined value of $21M. During the quarter Brockman also secured a new water storage tank project for Sydney Water for circa $5M that will commence on site in Q2FY2023.

Tendering activity during the quarter was high as the second group of federal governments "Boosting Australia's Diesel Storage Program" (BADSP) grant supported construction contracts were tendered to industry. It is expected that further BADSP contracts will be tendered and awarded in the tank construction industry during 1HFY2023.

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. Our current diversified project and revenue portfolio provides a balanced risk profile for stability in revenue and earnings growth as the group moves into the next phase of its growth strategy.

SYFON SYSTEMS

Syfon Systems delivered another strong performance in Q4 FY2022. The outlook remains positive for FY2023 with historically high contracted backlog and tendering activity also at historic highs.

Syfon Asia has returned to full operating capacity due to increased demand for our services for new large infrastructure and building developments in Kuala Lumpur, Penang and Vietnam.

Tun Razak Exchange, Kuala Lumpur – Syfon Systems project underway

Quarterly Update

The outlook in Asia is positive for FY2023 and FY2024 and we expect activity levels to increase further as the social infrastructure build phase returns to full capacity in the region.

Queens Wharf, Brisbane – Syfon Systems project

TSF POWER

TSF Power service and parts sales continued to grow in Q4 FY2022 as the demand for renewable gas energy rises in line with market demands for more renewable energy supply options to manage the transition to net zero.

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

During the quarter, the TSF Power team successfully delivered a renewable gas power generation system installation at a wastewater treatment facility in Victoria to augment the customer's existing power generation capacity.

BALANCE SHEET AND CASH FLOW

EVZ delivered a gross positive operating cashflow of $3.8M in addition to completing a $3.7M equity raising to provide working capital to support revenue growth in FY2023.

Term debt was reduced to $0.3M during the quarter which will be reduced to zero on 30 September 2022.

Improved industry outlook across the Australian and Asian markets in FY2023 and FY2024 will provide further opportunities for organic growth through new large contract wins.

We are also assessing and pursuing a number of strategic acquisitions in our sectors to expand the scale and geographic reach of our operations.

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Appendix 4C

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Name of entity	
EVZ Limited	
ABN	**Quarter ended ("current quarter")**
87 010 550 357	30 June 2022

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	25,148	70,144
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(9,791)	(24,111)
	(c) advertising and marketing	(47)	(237)
	(d) leased assets	(126)	(437)
	(e) staff costs	(8,289)	(29,948)
	(f) administration and corporate costs	(2,988)	(11,004)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(95)	(393)
1.6	Income taxes paid	(5)	(145)
1.7	Government grants & tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**3,807**	**3,869**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire of for:		
	(a) entities		
	(b) businesses		
	(c) property plant and equipment	(708)	(1,248)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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)		
2.6	**Net cash from / (used in) investing activities**	**(708)**	**(1,248)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issue of equity securities (excluding convertible debt securities)	3,552	3,552
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		
3.6	Repayment of borrowings	(300)	(1,200)
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**	**3,252**	**2,352**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,582	3,960
4.2	Net cash from / (used in) operating activities (item 2.6 above)	3,807	3,869
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(708)	(1,248)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,252	2,352

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**8,933**	**8,933**

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	8,933	2,582
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)**	**8,933**	**2,582**

6.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1	45
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.

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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	300	300
7.2	Credit standby arrangements		
7.3	Other (Bank Guarantee Facility)	5,000	4,732
7.4	**Total financing facilities**	**5,300**	**5,032**

7.5	**Unused financing facilities available at quarter end**	**268**

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 above secured loan and bank guarantee facilities are provided by the Commonwealth Bank of Australia. The interest rate on the term loan is 3.75% plus the variable bank bill rate. The interest rate on the bank guarantee facility is 3.5% on drawn balance. The current facility agreement expires on 31 October 2022.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	3,807
8.2	Cash and cash equivalent at quarter end (item 4.6)	8,933
8.3	Unused finance facilities available at quarter end (item 7.5)	268
8.4	Total available funding (item 8.2 + item 8.3)	9,201

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 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: 26 July 2022
Authorised by: By the 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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