

ASX ANNOUNCEMENT

Q3 FY23 Quarterly Activities Report and Appendix 4C Cash Flow Statement

Brisbane, 27 April 2023: Health and Plant Protein Group Limited (ASX:HPP) (HPP) presents its Activities Report and Appendix 4C for the quarter ended 31 March 2023.

Business Update

HPP announced on 18 April 2023 that it had completed the sale of its wholly owned subsidiary, HPP America Inc, the US based holding company of MacFarms, LLC, owner of HPP's Kapua Orchard and macadamia nut business, to Hawaiian Host, LLC.

As set out in HPP's Notice of General Meeting dated 10 March 2023, the manner of returning the net proceeds of the transaction to shareholders remains under consideration by the HPP Board and will be notified to shareholders following receipt of confirmation from the US Internal Revenue Service, of the US withholding tax payable by HPP in respect of the transaction, which is expected by July 2023.

Other items

The amount of \$18,000 under item 6.1 is in relation to remuneration of non-executive directors.

A YTD adjustment relating to the December quarter of \$412,527 has been corrected. Lines impacted were 4.5 (effect of movement in exchange rates on cash held) and 1.2 (b) (payments for product manufacturing and operating costs). 4.5 was reported as \$363k and should have been (\$49k) and 1.2 (b) was reported as (\$11,167k) but should have (\$10,755k). This means that the reported Net cash from operating activities for the December quarter, should have been (\$2,548).

This announcement has been authorised for release to ASX by the Board.

ENDS

Investor enquiries:

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Executive Chair
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Appendix 4C

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

Name of entity

HEALTH AND PLANT PROTEIN GROUP LIMITED (ASX: HPP)

ABN

68 010 978 800

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,618	26,093
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,528)	(16,338)
(c) advertising and marketing	(54)	(617)
(d) leased assets	(45)	(222)
(e) staff costs	(3,318)	(9,646)
(f) administration and corporate costs	(1,136)	(2,927)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(257)	(587)
1.6 Income taxes paid	-	(18)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,719)	(4,261)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(108)
(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)	109	109
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	109	1

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	1,469	3,292
3.6	Repayment of borrowings	(299)	(1,680)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Repayment of Convertible Note)	-	-
3.10	Net cash from / (used in) financing activities	1,170	1,612

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,213	3,470
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,719)	(4,261)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	109	1

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,170	1,612
4.5	Effect of movement in exchange rates on cash held	(161)	(210)
4.6	Cash and cash equivalents at end of period	612	612

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	612	1,213
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)	612	1,213

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	18
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	14,826	14,826
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	15,187	15,187
7.4 Total financing facilities	30,013	30,013
7.5 Unused financing facilities available at quarter end		-
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.		
<p>Note 7.1 American AgCredit – A secured revolving working capital facility. Facility limit US\$10 million. Interest rate: *8.03% subject to change due to LIBOR</p> <p>Note 7.3 *John Deere Financial – Secured equipment finance. 0% interest over 60 months, maturity date 30 October 2024.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,719)
8.2 Cash and cash equivalents at quarter end (item 4.6)	612
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	612
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	-
<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: No, as the Macadamia business was sold on the 14 th April, 2023.	
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: <i>the entity sold its USA subsidiaries for an amount of US\$26million as disclosed to the market.</i>	

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

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: 27 April 2023

Authorised by: 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.