



Pure Foods Tasmania Ltd
100 -104 Mornington Rd
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ASX: PFT
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www.purefoodstas.com

ASX Announcement

Pure Foods Tasmania Limited (ASX: PFT)

Thursday, 28th July 2022

Not for release to US wire services or distribution in the United States

Capital Raising to Continue Growth and Improve Margins via Automation

Capital Raising via Placement and Rights Issue

Pure Foods Tasmania Ltd (ASX:PFT) (**'PFT'** or **'the Company'**) is pleased to announce the launch of a placement to institutional and sophisticated investors to raise approximately \$2.55 million (**'Placement'**), and an offer of 1 fully paid ordinary share in PFT (**'New Share'**) for every 3 fully paid ordinary shares held in PFT (**'Entitlement Offer'**) to potentially raise a further \$3.40 million (together the Placement and the Entitlement Offer is referred to as the **'Offer'**). The key purpose of the Offer is to fund continued growth in sales, expansion of production capacity, investment in automation to improve operating efficiencies, secure key assets and exploit product expansion opportunities.

Commenting on the Placement and Entitlement Offer, Malcolm McAully, Chairman of PFT, stated: *"This capital raising significantly supports our continued growth and development of premium products in its existing brands and plant-based food markets via increased market penetration and distribution. The proceeds will support expansion of markets and production and process efficiency, allowing for improved margins and continued growth".*

RATIONALE AND USE OF PROCEEDS

Proceeds from the Placement and Entitlement Offer will be used to:

- Accelerate growth via investment in working capital, new product development and marketing;
- Drive production efficiencies via investment in automation for margin and capacity, secure assets, continue new plant and equipment integration for Daly Potato Co, Tasmanian Pate and plant-based ice cream (via The Cashew Creamery); and
- Invest in product expansion opportunities via investment in new sales channels and support further acquisitions of complimentary/scalable products/brands and businesses.



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TRADING UPDATE & OPERATIONAL HIGHLIGHTS

- Pure Food Tasmania's FY22 revenue rose 34%, from \$7.7 million to \$10.4 million.
- Tasmanian Pate increased sales to \$4.0 million in FY22. New flavours of Homestead pate were launched in FY22 including Chicken & Cheddar and Chicken & Chilli. Homestead pate continues to become a dominant brand in the Australian pate category.
- Daly Potato continued strong sales revenue and was up 37% in FY22 vs FY21 with \$2.55 million in sales. This result was supported by increased distribution along with marketing support focusing on Tasmanian-farmed potatoes.
- Relaunch of Potato & Gravy with new 100% recyclable packaging sourced from sustainable paper will be available in both 250g and 450g pack size and be sold alongside BBQ chickens in major retail outlets. Re-launch in Queensland and Tasmania in Woolworths will be in September 2022.
- New frozen Daly Potato Co bake range launching in July 2022 – capturing a new convenience “heat and eat” premium frozen vegetable market.
- Woodbridge Smokehouse revenue up 84% from \$1.6 million to \$2.96 million in FY22 driven by strong IGA and export demand.
- The Cashew Creamery plant-based ice cream delivered the largest revenue growth with an increase of 1044% in FY22 vs FY21, with \$467k in revenue. The new distribution arrangements with Woolworths Metro and increased distribution into IGAs have underpinned this strong result.
- Lauds Plant-Based Foods' revenue was up 92% in FY22 vs FY21, with sales revenue of \$296k. It continues to invest in new product development with a recent launch of a cashew cream cheese range which has shown strong acceptance in the route market. Other channels including export and food service continue to be the focus.
- Pure Foods Tasmania's strong customer base continues to expand with a further 38% increase in active customers in FY22.

The Company will maintain its strategy of organically growing our core portfolio and delivering upside via targeted value accretive acquisitions.



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CAPITAL RAISING

The Placement is to raise approximately \$2.55 million and is based on the issue of 15.15 million New Shares (representing 25.0% of the total shares of the Company prior to the issue of New Shares (as defined below)).

The Placement shares ('**New Shares**') will be issued at a fixed price of \$0.165 per share, representing a 13.1% discount to PFT's last closing price of \$0.19 per share on Wednesday, 27th July 2022.

New Shares to be issued under the Placement will rank equally with existing fully paid ordinary shares of PFT.

No shareholder approval is required for the Placement, as the Company will utilise a portion of its existing placement capacity under ASX listing Rules 7.1 and 7.1A.

PFT shares will remain in a trading halt today while the Placement is conducted. Normal trading in PFT shares is expected to resume on Monday, 1st August 2022 or such other time as the completion of the Placement is announced to the market.

ENTITLEMENT OFFER

PFT will also undertake an offer of 1 fully paid ordinary share in PFT ('**New Shares**') for every 3 full paid ordinary shares held in PFT ('**Entitlement Offer**') to potentially raise approximately \$3.40 million if all of the rights are taken up. The Entitlement Offer will provide eligible shareholders resident in Australia and New Zealand with the opportunity to acquire additional shares in proportion to their holdings at the Placement price of \$0.165 per share.

PFT reserves the right to issue any shortfall under the Entitlement Offer to eligible sophisticated and professional shareholders who were provided offers under the Entitlement Offer (ie the shortfall can only be offered to existing shareholders who could participate in the rights issue). The allocation of any shortfall shares will be determined by the Board at its sole discretion.

Eligible shareholders resident in Australia and New Zealand who are registered as PFT shareholders as at 7:00pm (AEDT) on Tuesday, 23rd August 2022 will be invited to subscribe for 1 New Share for every 3 shares held, free of brokerage.

The Entitlement Offer is subject to the terms set out in the Entitlement Offer booklet, which will be dispatched to eligible shareholders in due course.

Shares issued under the Entitlement Offer will rank equally with existing shares of PFT.

DIRECTOR TRANSACTIONS

PFT Directors will participate in the rights issue.



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TIMETABLE

The timetable below is indicative only and subject to change. The Company and the Lead manager reserve the right to alter the below dates at their full discretion and without prior notice, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of New Shares is subject to confirmation from the ASX. All references to time in the announcement are to Sydney time.

Event	Date
Placement	
Trading halt and announcement of Placement	Thursday, 28 th July 2022
Placement bookbuild opens	Thursday, 28 th July 2022
Placement bookbuild closes	Friday, 29 th July 2022
Announcement of completion of Placement and trading halt lifted	Monday, 1 st August 2022
Settlement of New Shares under the Placement and lodgement of Appendix 2A for Placement Shares	Tuesday, 2 nd August 2022
Allotment of New Shares under the Placement	Wednesday, 3 rd August 2022
Entitlement Offer	
Record date of determining eligibility for Entitlement	7:00pm, Tuesday, 2 nd August 2022
Despatch of Entitlement Booklet and Entitlement opens	Wednesday, 3 rd August 2022
Entitlement closes	Tuesday, 23 rd August 2022
Offer of shortfall of rights issue to certain institutional and professional shareholders	Friday, 26 th August 2022
Settlement of Entitlement Shares and lodgement of Appendix 2A for Entitlement Shares	Monday, 29 th August 2022
Allotment of New Shares under the Entitlement Offer	Tuesday, 30 th August 2022

ADDITIONAL INFORMATION

Additional information regarding the capital raising is contained with the Investor Presentation released to the ASX today. All dollar amounts are in Australian dollars unless otherwise indicated.

IMPORTANT NOTICES

The release of this announcement was authorised by the Board of PFT. This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



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This announcement includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire PFT shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial situation or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. PFT is not licensed to provide investment or financial product advice in respect of PFT shares. Cooling off rights do not apply to the acquisition of PFT shares pursuant to the Placement or Entitlement Offer.

LEAD MANAGER DISCLAIMER

Prenzler Group Pty Ltd ('Prenzler' or 'the Lead Manager'), together with its related bodies corporate, shareholders and affiliates, and each of their respective officers, directors, employees, affiliates, agents and advisers (each a 'Limited Party') have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and there is no statement in this announcement which is based on any statement made by the Lead Manager or any other Limited Party. To the maximum extent permitted by law, the Lead Manager and each other Limited Party expressly disclaim all liabilities (including for negligence) in respect of, and take no responsibility for, any part of this announcement, including as to the currency, accuracy, reliability, or completeness of any information in this announcement.

Neither the Lead Manager nor any other Limited Party makes any recommendation as to whether any potential investor should participate in the Placement. Further, neither the Lead Manager nor any other Limited Party accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Placement or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Placement and any other transaction or other matter arising in connection with this announcement. The Lead Manager



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and other Limited Parties may have securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities.

Determination of eligibility of investors for the purposes of the Placement and Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of PFT and the Lead Manager. To the maximum extent permitted by law, PFT and the Lead Manager each disclaim any liability in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or allocating the Placement without having independently verified that information and the Lead Manager does not assume responsibility for the accuracy or completeness of the information.

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This announcement has been authorised and approved by the Board of PFT on Wednesday, 27th July 2022.

For further information, please contact:

Corporate

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About Pure Foods Tasmania (PFT)

Pure Foods Tasmania Pty Ltd was formed in 2015 with the aim to enhance and promote Tasmania's premium food and beverage businesses. PFT's strategy is to develop new premium products within our existing brands and in the plant-based food market, to acquire complementary brands and businesses and to increase our market penetration and distribution for our suite of brands and products globally. PFT's suite of brands and businesses include Woodbridge Smokehouse, Tasmanian Pate, Daly Potato Co, Pure Tasmanian Seafood, Lauds Plant-Based Foods, The Cashew Creamery and New Pastures.

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