

**Appendix 4D****Half Year Report for the six months to 31 December 2022**

Name of entity: FARM PRIDE FOODS LIMITED

ABN or equivalent company reference: 42 080 590 030

**1. Reporting period**

Report for the half year ended: 31 December 2022

Previous corresponding periods: Financial year ended 30 June 2022  
 Half- year ended 31 December 2021

**2. Results for announcement to the market**

Revenues from ordinary activities ( <i>item 2.1</i> )	Down	5.51%	to	\$38,233,000
Loss from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	Up	182.83%	to	(\$7,430,000)
Net loss for the period attributable to members ( <i>item 2.3</i> )	Up	182.83%	to	(\$7,430,000)
<b>Dividends (<i>item 2.4</i>)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Interim dividend		- ¢		- ¢
Final dividend		- ¢		- ¢
Previous corresponding period		- ¢		- ¢
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )				N/A
Brief explanation of any of the figures reported above necessary to enable the figures to be understood ( <i>item 2.6</i> ):				
Refer to Director's report				

**3. Net tangible assets per security (*item 3*)**

	31 Dec 2022	31 Dec 2021
Net tangible asset backing per ordinary security	3.5¢	39.14 ¢

**4. Details of entities over which control has been gained or lost during the period: (item 4)**

**Control gained over entities**

Name of entities (item 4.1)	N/A	
Date(s) of gain of control (item 4.2)	N/A	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)		\$ -
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)		\$ -

**Loss of control of entities**

Name of entities (item 4.1)	N/A	
Date(s) of loss of control (item 4.2)	N/A	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).		\$ -
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)		\$ -

**5. Dividends (item 5)**

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2022	N/A	\$ -
Final dividend year ended 30 June 2022	N/A	\$ -

**Amount per security**

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
<b>Total dividend:</b> Current year	- ¢	- ¢	- ¢
Previous year	- ¢	- ¢	- ¢

**6. The financial information provided in the Appendix 4D is based on the unreviewed half year condensed consolidated financial report (attached).**

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES  
ABN 42 080 590 030**

**FARM PRIDE FOODS LIMITED  
ABN 42 080 590 030  
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2022**

This half-year financial report is to be read in conjunction with  
the financial report for the year ended 30 June 2022.

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**Corporate Information**

ABN 42 080 590 030

**Directors**

Roland Roccioletti (Independent Non- Executive Chairman)  
Bruce De Lacy (Independent Non-Executive Director)  
Beth Mathison (Independent Non-Executive Director)  
George Palatianos (Non-Executive Director)  
Malcolm Ward (Non-Executive Director)

**Management Team**

Darren Lurie (Managing Director)  
Harris Baig (Interim CFO)

**Company Secretary**

Bruce De Lacy

**Registered Office and principal place of business**

551 Chandler Road  
Keysborough, Victoria 3173  
+61 3 9798 7077

**Solicitors**

Gadens  
Level 25 Bourke Place  
600 Bourke Street  
Melbourne, Victoria 3000

**Financiers**

MC FP Pty Ltd  
Level 18, 90 Collins Street  
Melbourne Vic 3000

Tradeplus 24 Australia Pty Ltd  
Level 2, 696 Bourke Street  
Melbourne Vic 3000

**Share Register**

Computershare Registry Services Pty. Ltd.  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067

ASX: FRM

**Auditors**

Pitcher Partners  
Level 13, 664 Collins Street  
Docklands, Victoria 3008

**Internet Address**

[www.farmpride.com.au](http://www.farmpride.com.au)

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2022**

**TABLE OF CONTENTS**

	Page
Directors' Report	4
Auditor's independence Declaration	7
Financial Report for the half-year ended 31 December 2022	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Directors' Declaration	16
Independent Auditor's Review Report	17

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

The Directors present their report together with the financial report of the consolidated entity consisting of Farm Pride Foods Limited ('the Company') and the entities it controlled (or the 'Group'), for the half-year ended 31 December 2022 and auditor's report thereon.

**Directors**

The names of Directors in office at any time during or since the end of the half year are:

Roland Roccioletti	Independent Non-executive Director, Chair (appointed 25 August 2022)
Peter Bell	Non-executive Director, (resigned 17 November 2022)
Bruce De Lacy	Independent Non-executive Director (1 July 2022 – 27 September 2022), Interim Managing Director (27 September 2022 - 23 February 2023), Independent Non-executive Director (from 23 February 2023)
Beth Mathison	Independent Non-executive Director (appointed 25 August 2022)
George Palatianos	Non-executive Director (appointed 23 February 2023)
Darren Lurie	Managing Director (appointed 23 February 2023)
Malcolm Ward	Non-executive Director

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

**Review of operation**

Statutory consolidated net loss after tax for the half year ended 31 December 2022 was \$7.430m (2021: loss \$2.627m). Normalised EBITDA was a loss of \$2.813 (2021: gain \$0.414m).

Normalised EBITDA represents statutory earnings before interest, tax, depreciation and amortisation adjusted for items that are material to revenue or expense that are unrelated to the normalised performance of the business ("significant items"). The Company believes that presenting normalised EBITDA provides a better understanding of its financial performance by facilitating a more representative comparison of performance between financial periods. The results are presented with reference to the Australian Securities and Investment Commission Regulatory Guide 230 "Disclosing non-IFRS financial information".

The following table reconciles the statutory results to normalised EBITDA for the half year ended 31 December 2022:

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Statutory loss	(7,430)	(2,627)
Add back:		
- Interest (finance costs)	1,207	1,043
- Income tax expense (benefit)	-	905
- Depreciation and amortisation	3,410	3,541
EBITDA	(2,813)	2,862
Significant items:		
- Profit on sale of Keysborough site	-	(2,448)
Normalised EBITDA	(2,813)	414

### **Review of operations (continued)**

The Group continues to invest in rebuilding relationships and trust to improve how we meet the requirements of our customers together with reaching agreement with key customers in relation to price increases reflecting increases in costs experienced by the Group as well as the industry and broader economy more generally. The business also sought to re-set its business model as well as commencing a review of operating costs which is on-going.

The remedial action taken within the business is expected to realise significant additional cash inflows per month for the second half of the current financial year.

The Group continues to actively manage our cash flows through the management of inventory levels, debtors and creditors within strict limits. There is also a focus on targeted capital expenditure to improve asset life, quality and safety.

The current conditions continue to be challenging with eggs still in short supply nationally. The matters noted in the 30 June 22 Financial Statements remain relevant and accordingly the Directors acknowledge there remains uncertainties.

### **Transition to cage free**

The *Proposed poultry welfare standards* provide for the phase out of conventional cage hen housing between 2031 and 2036. We are continuing to work with our customers in relation to this transition and as at 31 December 2022 ceased to occupy one of our leased cage farms.

### **Events after the reporting period**

On the 29<sup>th</sup> December 2022, the Group announced a capital raising of up to \$5.270m (before costs) comprising a non-renounceable entitlement offer (NREO) and a Placement to sophisticated and professional investors.

The NREO raised \$1.342m with a further \$0.036m approved at the Extraordinary General Meeting (EGM) held on 23 February 2023.

The Placement to raise a further \$3.50m (before costs) received shareholder approval at the EGM held on 23 February 2023.

The appointment of Mr. Darren Lurie and Mr. George Palatianos as Directors received shareholder approval at the EGM held on 23 February 2023. Shareholders also approved:

- The grant of 2,180,000 performance rights, each to acquire 1 fully paid ordinary share in the Company, to Mr. Darren Lurie (or his nominee).
- The grant of 3,600,000 options, each to acquire 1 fully paid ordinary share in the Company, to Mr. Darren Lurie (or his nominee).

The Board of Directors would like to thank all our customers and employees for their continued support and efforts as well as all those shareholders who supported the recent capital raise.

### **Significant changes in the state of affairs**

There have been no significant changes in the Group's state of affairs during the half year other than as detailed above.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year ended 31 December 2022 is provided with this report.

### **Rounding of amounts to nearest thousand dollars**

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

The amounts contained in the report and in the half year financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.



Malcolm Ward  
Director  
28 February 2023



FARM PRIDE FOODS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF FARM PRIDE FOODS LIMITED

In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:


- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Farm Pride Foods Limited and the entities it controlled during the period.



STEPHEN SCHONBERG  
Partner

28 February 2023



PITCHER PARTNERS  
Melbourne

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Notes	Half-year	
		31 Dec 2022	31 Dec 2021
		\$'000	\$'000
<b>Revenue and other income</b>			
Revenue from contracts with customers	3	38,203	37,957
Interest revenue and other income	2,3	30	2,507
		38,233	40,464
<b>Less: Expenses</b>			
Changes in inventories of finished goods and work in progress		199	427
Raw materials and consumables		(29,395)	(28,066)
Employee benefits expense		(9,663)	(8,342)
Depreciation		(3,410)	(3,541)
Loss on disposal of property, plant & equipment		(28)	-
Finance costs		(1,207)	(1,043)
Other expenses		(2,159)	(1,621)
<b>Loss before income tax expense</b>		(7,430)	(1,722)
Income tax (expense) / benefit		-	(905)
<b>Loss after tax</b>		(7,430)	(2,627)
<b>Total comprehensive loss for the half-year</b>		(7,430)	(2,627)
<b>Earnings per share for profit attributable to the equity holders of the parent entity:</b>			
Basic loss per share (cents per share)		(13.46)	(4.76)
Diluted loss per share (cents per share)		(13.46)	(4.76)

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Notes	31 Dec 2022 \$'000	30 June 2022 \$'000
<b>Current Assets</b>			
Cash and short-term deposits		1,688	2,150
Trade and other receivables		10,002	7,920
Inventories		5,050	4,851
Biological assets		6,505	5,897
Other current assets		1,259	1,919
<b>Total current assets</b>		<u>24,504</u>	<u>22,737</u>
<b>Non-current Assets</b>			
Biological assets		1,860	403
Lease assets		7,992	10,091
Property, plant and equipment		24,325	25,513
<b>Total non-current assets</b>		<u>34,177</u>	<u>36,007</u>
<b>TOTAL ASSETS</b>		<u>58,681</u>	<u>58,744</u>
<b>Current Liabilities</b>			
Trade and other payables		16,342	12,560
Lease liabilities		3,906	4,535
Provisions		2,031	1,829
Borrowings	5	3,511	-
<b>Total current liabilities</b>		<u>25,790</u>	<u>18,924</u>
<b>Non-current liabilities</b>			
Borrowings	5	14,174	11,575
Lease liabilities		16,676	18,705
Provisions		108	177
<b>Total non-current liabilities</b>		<u>30,958</u>	<u>30,457</u>
<b>TOTAL LIABILITIES</b>		<u>56,748</u>	<u>49,381</u>
<b>NET ASSETS</b>		<u>1,933</u>	<u>9,363</u>
<b>EQUITY</b>			
Contributed capital		29,578	29,578
Accumulated Losses		(27,645)	(20,215)
<b>TOTAL EQUITY</b>		<u>1,933</u>	<u>9,363</u>

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<b>Contributed capital</b>	<b>Accumulated Losses</b>	<b>Total equity</b>
	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2022</b>	29,578	(20,215)	9,363
Loss for the half -year	-	(7,430)	(7,430)
<b>Total comprehensive income for the half-year</b>	-	(7,430)	(7,430)
<b>Balance as at 31 December 2022</b>	<u>29,578</u>	<u>(27,645)</u>	<u>1,933</u>

	<b>Contributed capital</b>	<b>Accumulated Losses</b>	<b>Total equity</b>
	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2021</b>	29,578	(433)	29,145
Loss for the half -year	-	(2,627)	(2,627)
<b>Total comprehensive income for the half-year</b>	-	(2,627)	(2,627)
<b>Balance as at 31 December 2021</b>	<u>29,578</u>	<u>(3,060)</u>	<u>26,518</u>

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Notes	Half-year	
		31 Dec 2022	31 Dec 2021
		\$'000	\$'000
<b>Cash flow from operating activities</b>			
Receipts from customers		39,496	35,999
Payments to suppliers and employees		(42,122)	(38,114)
Interest received		3	-
Finance costs		(1,147)	(923)
Income tax received/(paid)		-	-
<b>Net cash provided by operating activities</b>		<b>(3,770)</b>	<b>(3,038)</b>
 <b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment	2	-	18,500
Transaction costs from sale of property	2	-	(383)
Payment for property, plant and equipment		(84)	(838)
<b>Net cash used in investing activities</b>		<b>(84)</b>	<b>17,279</b>
 <b>Cash flow from financing activities</b>			
Proceeds / (Repayment) of borrowings	5	6,050	(7,500)
Repayment of lease liability		(2,658)	(2,419)
<b>Net cash provided by financing activities</b>		<b>3,392</b>	<b>(9,919)</b>
 Net increase/(decrease) in cash and cash equivalents		(462)	4,322
Cash and cash equivalents at beginning of the half-year		2,150	1,285
<b>Cash and cash equivalents at end of the half-year</b>		<b>1,688</b>	<b>5,607</b>

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2022**

**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

The condensed consolidated half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Farm Pride Foods Limited (the Company) during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

This condensed half-year financial report covers the Company and its controlled entities as a consolidated entity. Farm Pride Foods Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is 551 Chandler Road, Keysborough, Victoria. The Company is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the Director's Report.

**(a) Basis of preparation**

The condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Except as disclosed in Note 1(b), the accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2022.

**(b) Summary of the significant accounting policies**

The Group has applied all new and revised Australian Accounting Standards that apply to reporting periods beginning on or after 1 July 2022. The application of the new accounting standards did not have a material impact on the financial statements.

**(c) Going concern**

During the half year ended 31 December 2022 the Group incurred a net loss after tax of \$7.430m (loss 2021: \$2.627m). Net cash flow generated by operating activities was an outflow of \$3.770m (2021: \$3.038m). As at 31 December 2022 current assets of \$24.504m were exceeded by current liabilities of \$25.790m by \$1.286m. As outlined in Note 5 the group's working capital loan expires in August 2023 and therefore have been classified as a current liability. The directors have reasonable expectations that this facility will be re-financed. Additionally, as described in Note 6, subsequent to the half year end the Group has raised \$4.878m (before costs) of additional capital through the NREO and Placement.

In determining the basis for preparation of the financial report, the directors have assessed the financial performance, future operating plans, financial forecasts, existing financial position and recent equity raising by the Group. The directors believe there are reasonable grounds to expect the Group to be able to continue as a going concern for at least 12 months from the date of issue of the financial report, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. It is acknowledged however that there are uncertainties associated with the forecast assumptions including the ability to maintain and grow revenues, contain, and further reduce costs, and renewal of the existing working capital facility has not yet been contracted.

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

Subsequent to 31 December 2022, the Group is continuing to review of its operations to identify efficiencies, cost savings and revenue opportunities. A number of these have already been identified and implemented. As described in the Directors Report, in the latter part of the half year the Company has negotiated price increases with its shell egg and egg product customers. The benefit of these price increases have started to materialise with further benefit to be obtained in the second half year.

As a result of the above, the directors have concluded that the going concern basis is appropriate. Given the circumstances detailed above and conditions affecting the Australian egg and grain industry more broadly, there exists uncertainty that could cast doubt on the ability of the Group to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

**(d) Segment reporting**

Management has determined the operating segments based on the reports reviewed by the Board of Directors (the chief operating decision maker as defined under AASB 8) that are used to make strategic and operating decisions. The Board of Directors considers the business primarily from a geographic perspective. On this basis the Group has identified one reportable segment, Australia. The Group does not operate in any other geographic segment.

**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**NOTE 2: SIGNIFICANT OR UNUSUAL INCOME AND EXPENSE ITEMS**

	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
Profit on sale of Keysborough site <sup>1</sup>	-	2,448

<sup>1</sup>Included in Interest revenue and other income in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The sale of Keysborough generated cash inflows of \$18.500m less transaction costs of \$0.383m. With the sale subject to a long-term lease of fifteen years with an additional five-year option, the proceeds from the sale were accounted for in accordance with AASB 16 Leases. As a result, a significant amount of the proceeds from sale were offset against the right of use asset for the Keysborough site instead of being recognised as profit on sale of an asset. This resulted in the recognition of a right of use asset of \$1.866m, a lease liability of \$14.998m and a gain on sale of \$2.448m.

**NOTE 3: REVENUE AND OTHER INCOME**

	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
<b>Revenue from contracts with customers</b>		
Shell egg	19,832	25,412
Product egg	17,636	11,856
Other	735	689
	38,203	37,957
<b>Other income</b>		
Profit on sale of Keysborough site	-	2,448
Other income	30	59
Total revenue and other income	38,233	40,464



**FARM PRIDE FOODS LIMITED AND CONTROLLED ENTITIES**  
**ABN 42 080 590 030**

**NOTE 4: DIVIDENDS**

No dividends were paid or proposed during the half-year (2021: nil).

**NOTE 5: BORROWINGS**

	<b>31 Dec 2022 \$'000</b>	<b>30 June 2022 \$'000</b>
<hr/>		
<b>Current</b>		
<i>Unsecured</i>		
Borrowings <sup>1</sup>	1,711	-
Working capital loan <sup>2</sup>	1,800	-
	<hr/>	<hr/>
	3,511	-
<hr/>		
<b>Non-current</b>		
<i>Secured</i>		
Long term loan <sup>3</sup>	14,174	11,575
<b>Total borrowings</b>	<hr/>	<hr/>
	17,685	11,575

<sup>1</sup> Short term finance has been provided by the parent company and shareholder and director related entities. The funding is short term and is not secured by any Group assets. Interest and charges are at commercial terms. The maturity date of these borrowings is 28 February 2023.

<sup>2</sup> The facility is secured over the Group's receivables. The maturity date of the facility is 31 August 2023.

<sup>3</sup> The facility is secured by a fixed charge over selected property and company assets. The maturity date of the facility is 31 August 2024.

At the reporting date, the Group's financing is as follows.

	<b>31 Dec 2022 \$'000</b>	<b>30 June 2022 \$'000</b>
<b>(i) Long Term Loan</b>		
Facilities available	14,342	14,342
Facilities used	14,174	11,575
Facilities unused	<hr/>	<hr/>
	168	2,767
<b>(ii) Working capital loan</b>		
Facilities available	2,000	-
Facilities used	1,800	-
Facilities unused	<hr/>	<hr/>
	200	-

**NOTE 6: SUBSEQUENT EVENTS**

**NREO and Placement:**

Subsequent to 31<sup>st</sup> December 2022, the company raised \$4.878m of additional capital through a non-renounceable entitlement offer of new shares to eligible shareholders (NREO) and Placement as described below:

- a) **NREO:** On 25<sup>th</sup> January 2023, the company raised \$1.342m through a 7:12 pro rata NREO, with a further \$0.036m approved by shareholders at the Extraordinary General Meeting (EGM) held 23 February 2023. 25,041,317 new shares were issued at a price of 5.5 cents per share pursuant to the NREO.
- b) **Placement:** At the EGM held 23 February shareholders also approved the Placement to sophisticated and professional investors to raise \$3.500m (before costs). 63,636,364 new shares were issued at a price of 5.5 cents per share pursuant to the Placement.

Before the issue of new shares, the Company's largest shareholder was West Coast Eggs Pty Ltd, holding 27,486,302 or 49.81% of the shares in the Company. West Coast Eggs Pty Ltd continues to be the largest shareholder of the Company subsequent to the issue of the new shares, holding 43,519,979 or 30.25% of the shares in the Company.

**Issue of Options and Performance Rights:**

At the EGM held on 23 February 2023, the appointment of Mr. Darren Lurie and Mr. George Palatianos as Directors received shareholder approval. Shareholders also approved:

- The grant of 2,180,000 performance rights, each to acquire 1 fully paid ordinary share in the Company, to Mr. Darren Lurie (or his nominee).
- The grant of 3,600,000 options, each to acquire 1 fully paid ordinary share in the Company, to Mr. Darren Lurie (or his nominee).


**DIRECTORS DECLARATION**

The Directors declare that the financial statements and notes set out on pages 12 to 16 and in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance for the half-year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Farm Pride Foods Limited and its controlled entities will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

  
**Malcolm Ward**  
Director

**Melbourne**  
**28 February 2023**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF FARM PRIDE FOODS LIMITED**

*Conclusion*

We have reviewed the half-year financial report of Farm Pride Foods Ltd ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Material Uncertainty relating to Going Concern*

We draw attention to Note 1(c) in the financial report, which indicates that the Group incurred a net loss of \$7.430m during the half year ended 31 December 2022 and, as of that date, the Group's current liabilities exceeded its total assets by \$1.286m. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF FARM PRIDE FOODS LIMITED**

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

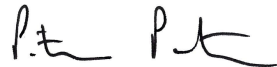
*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



STEPHEN SCHONBERG  
Partner



PITCHER PARTNERS  
Melbourne

28 February 2023