



Pure Foods Tasmania Ltd
100 -104 Mornington Rd
Mornington TAS 7018
ASX: PFT
+61 3 6231 4233
www.purefoodstas.com

ASX Announcement

Pure Foods Tasmania Limited (ASX: PFT)

25th July 2023

Revenue up 89% for Daly Potato Co and 25% for Tasmanian Pate in June 2023

Quarterly Activities Report for Q4 FY23

Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the Company') provides its Quarterly Activities Report and Appendix 4C for the quarter ended 30th June 2023. Unless otherwise stated all financial results are unaudited.

HIGHLIGHTS

- Daly Potato Co. ("Daly") recorded sales revenue of \$268k in June 2023, up 89% on June 2022.
- Tasmanian Pate ("TasPate") recorded sales revenue of \$373k in June 2023, up 25% on June 2022.

OPERATIONAL HIGHLIGHTS

- Potato & Gravy continues to resonate with Victorian and Tasmanian Coles Supermarket customers and with Queensland and Tasmanian Woolworths Supermarket customers, delivering continued record sales growth in our Daly division.
- Tasmanian IGA independent stores and Mood Food convenience stores have ranged both 250g & 450g Potato & Gravy in Q4 FY 23.
- Strong distribution and demand for Tasmanian Pate 150g premium Homestead range continues.

FINANCIAL HIGHLIGHTS

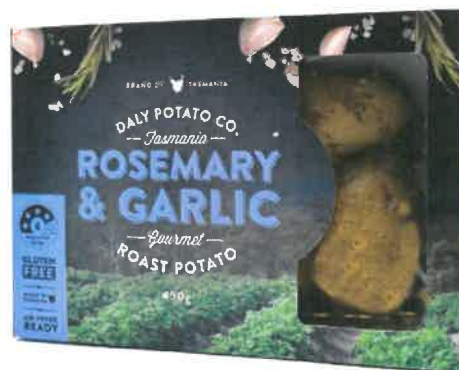
- Continued capital investment in capacity and automation with \$0.287 million invested in Q4 FY23, bringing the full year investment to \$1.27 million.
- During Q4 FY23, we undertook to trial dedicated automation equipment on our Daly Potato & Gravy product, with remarkable results across all test requirements. In Q1 FY24, PFT will be placing deposits for this equipment which will further enhance product texture and taste, address capacity and efficiency constraints and improve product margin.
- Cashflow from operations for Q4 FY23 of (\$0.659 million), was a 36% improvement on the same period in Q4 FY 22 and is due to the following initiatives:
 - Continued control of overhead costs and staff costs of \$0.774 million in Q4 FY23 vs Q4 FY22 of \$1.176 million;
 - A renewed focus on raw material, ingredient and packaging input costs, to improve key product margins
- Cash on hand of \$3.471 million as of 30th June 2023 provides continued capital investment support to improve capacity constraints, address efficiencies and continue with exciting new product development opportunities.
- PFT continues to build operational team capability across both its sites, to increase production volumes whilst maintaining stringent quality control measures. The acquisition of further significant factory space at Mornington, with additional freezer capacity will cater for our immediate production volume increase.



(image only) – Ranged in Coles Supermarkets Victoria & Woolworths Queensland & Tasmania along with IGA stores in Tasmania



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(image only) Premium Daly Frozen Ready Meal Tray Range to be launched into 800 Woolworths stores nationally in Q1 FY24.



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Michael Cooper, Managing Director and CEO, highlighted, *"The final quarter of FY 23 continued to be a very busy period with strong growth across our key brands in Tasmanian Pate and Daly Potato Co, and underpinned by both Coles & Woolworths Potato & Gravy demand growing month on month. This is an exciting opportunity to strengthen our relationship with Coles & Woolworths and is testament to the Potato & Gravy product. In addition, the recent announcement of the Daly Frozen meal tray range being accepted into 800 Woolworth stores is another opportunity for the business to showcase its capabilities. These products have taken over two years to develop and finalise, and we are expecting this to provide significant growth for Daly Potato Co in FY 24 and which supports our forecasted revenue growth for FY 24 of 50%. In Q4 we also engaged Kidder Williams to support PFT with our growth strategy via targeted acquisitions, which along with our organic sales will provide for a very busy FY 24".*

CORPORATE

As detailed in the attached ASX Appendix 4C, the Company had \$3.471 million in cash as of 30th June 2023.

Payments of \$27,750 were made to related parties and their associates during the quarter, as noted in Section 6 of Appendix 4C.

---ends---

This announcement has been authorised for release and approved by the Board of PFT.

For further information, please contact:

Corporate

Michael Cooper
Managing Director
+61 419 124433

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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Appendix 4C

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

Name of entity

Pure Foods Tasmania Limited

ABN

13112682158

Quarter ended ("current quarter")

 30th June 2023

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	2,054	9,086
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(1,544)	(6,265)
	(c) advertising and marketing	(4)	(145)
	(d) leased assets	0	0
	(e) staff costs	(992)	(4,277)
	(f) administration and corporate costs	(123)	(619)
1.3	Dividends received (see note 3)		
1.4	Interest received	14	65
1.5	Interest and other costs of finance paid	(59)	(147)
1.6	Income taxes paid	0	(21)
1.7	Government grants and tax incentives	0	271
1.8	Other (GST claims, insurance claim)	(5)	146
1.9	Net cash from / (used in) operating activities	(659)	(1,906)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	(44)	(44)
	(b) businesses		
	(c) property, plant and equipment	(287)	(1,266)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	0	0

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	0	1
	(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)	0	0
2.6	Net cash from / (used in) investing activities	(331)	(1,309)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	5,950
3.2	Proceeds / (repayment) of convertible debt securities	0	(3,450)
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	(323)
3.5	Proceeds from borrowings		3,000
3.6	Repayment of borrowings	(89)	(311)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principal component of lease payments & interest on convertible note)	(67)	(665)
3.10	Net cash from / (used in) financing activities	(156)	4,201

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,617	2,485
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(659)	(1,906)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(331)	(1,309)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(156)	4,201
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,471	3,471

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	971	2,117
5.2	Call deposits	2,500	2,500
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)	3,471	4,617

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	28
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: The amounts paid above includes Board Fees of \$21,500 and \$6,250 in payments to the Fleming Family Trust as a retainer for director Ken Fleming's services.

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	3,934	3,934																																																																																										
7.2	Credit standby arrangements																																																																																												
7.3	Other (please specify – credit card)	25	0																																																																																										
7.4	Total financing facilities	3,959	3,934																																																																																										
7.5	Unused financing facilities available at quarter end		26																																																																																										
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.																																																																																												
	<table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.8em;"> <thead> <tr> <th style="text-align: center;">Lender</th> <th style="text-align: center;">Interest Rate</th> <th style="text-align: center;">Maturity Date</th> <th style="text-align: center;">Item</th> <th style="text-align: center;">Secured or Unsecured</th> <th style="text-align: center;">Amount Drawn \$A'000</th> </tr> </thead> <tbody> <tr><td>NAB - equipment finance</td><td style="text-align: center;">3.13%</td><td style="text-align: center;">Sep-24</td><td>Refrigerated Van</td><td style="text-align: center;">Secured</td><td style="text-align: center;">8</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.72%</td><td style="text-align: center;">Dec-24</td><td>General equipment</td><td style="text-align: center;">Secured</td><td style="text-align: center;">382</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Mar-25</td><td>TasPate Equipment</td><td style="text-align: center;">Secured</td><td style="text-align: center;">81</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Apr-25</td><td>VW Amarok</td><td style="text-align: center;">Secured</td><td style="text-align: center;">31</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Apr-25</td><td>WB Equipment</td><td style="text-align: center;">Secured</td><td style="text-align: center;">33</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Apr-25</td><td>Daly Equipment</td><td style="text-align: center;">Secured</td><td style="text-align: center;">128</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.49%</td><td style="text-align: center;">Jun-25</td><td>Rav 4</td><td style="text-align: center;">Secured</td><td style="text-align: center;">18</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">3.49%</td><td style="text-align: center;">Aug-26</td><td>Shipping Container</td><td style="text-align: center;">Secured</td><td style="text-align: center;">217</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Jun-25</td><td>Crown Forlift</td><td style="text-align: center;">Secured</td><td style="text-align: center;">10</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Jun-25</td><td>Nissan X-Trail</td><td style="text-align: center;">Secured</td><td style="text-align: center;">11</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Jun-25</td><td>Thermosealing Mach</td><td style="text-align: center;">Secured</td><td style="text-align: center;">54</td></tr> <tr><td>CBA - equipment finance</td><td style="text-align: center;">8.64%</td><td style="text-align: center;">Dec-24</td><td>TCC Equipment</td><td style="text-align: center;">Secured</td><td style="text-align: center;">459</td></tr> <tr><td>CBA - market rate loan</td><td style="text-align: center;">BBSY + 2.8806%</td><td style="text-align: center;">Nov-23</td><td>Market Rate Loan</td><td style="text-align: center;">Secured</td><td style="text-align: center;">2,500</td></tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">3,934</td> </tr> </tbody> </table>			Lender	Interest Rate	Maturity Date	Item	Secured or Unsecured	Amount Drawn \$A'000	NAB - equipment finance	3.13%	Sep-24	Refrigerated Van	Secured	8	CBA - equipment finance	2.72%	Dec-24	General equipment	Secured	382	CBA - equipment finance	2.92%	Mar-25	TasPate Equipment	Secured	81	CBA - equipment finance	2.92%	Apr-25	VW Amarok	Secured	31	CBA - equipment finance	2.92%	Apr-25	WB Equipment	Secured	33	CBA - equipment finance	2.92%	Apr-25	Daly Equipment	Secured	128	CBA - equipment finance	2.49%	Jun-25	Rav 4	Secured	18	CBA - equipment finance	3.49%	Aug-26	Shipping Container	Secured	217	CBA - equipment finance	2.92%	Jun-25	Crown Forlift	Secured	10	CBA - equipment finance	2.92%	Jun-25	Nissan X-Trail	Secured	11	CBA - equipment finance	2.92%	Jun-25	Thermosealing Mach	Secured	54	CBA - equipment finance	8.64%	Dec-24	TCC Equipment	Secured	459	CBA - market rate loan	BBSY + 2.8806%	Nov-23	Market Rate Loan	Secured	2,500	TOTAL					3,934
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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(659)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,471
8.3	Unused finance facilities available at quarter end (item 7.5)	26
8.4	Total available funding (item 8.2 + item 8.3)	3,497
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	<div style="border: 1px solid black; padding: 5px; min-height: 30px;">5.3 quarters</div>
	<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: 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 are those 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 to meet its business objectives and, if so, on what basis?

Answer: n/a

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:25 July 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.