



Quarterly Activities Report for Q2 FY24

30th January 2024

(ASX:PFT)



PERIOD HIGHLIGHTS



- Daly Potato Co. strong sales continue with another \$1m in Q2 FY24
- Tasmanian Pate recorded December sales of \$533k, being 53% of total group sales for the month
- Demand continues to exceed supply capacity in December for Daly Potato Co.
- Lauds Plant-Based Foods business sold

Sales demand continues with strength in December 23

- PFT Group revenue up 5% v LY pcp.
- Tasmanian Pate enjoyed strong demand in December throughout the peak entertaining season; sales YTD exceed \$2m.
- Daly Potato Co. ("Daly") recorded sales revenue for the first half of FY24 of \$2m, up 64% on pcp FY23.
- Daly frozen range now fully distributed across Woolworths' stores nationwide; demand has exceeded all expectations in the first half FY24.

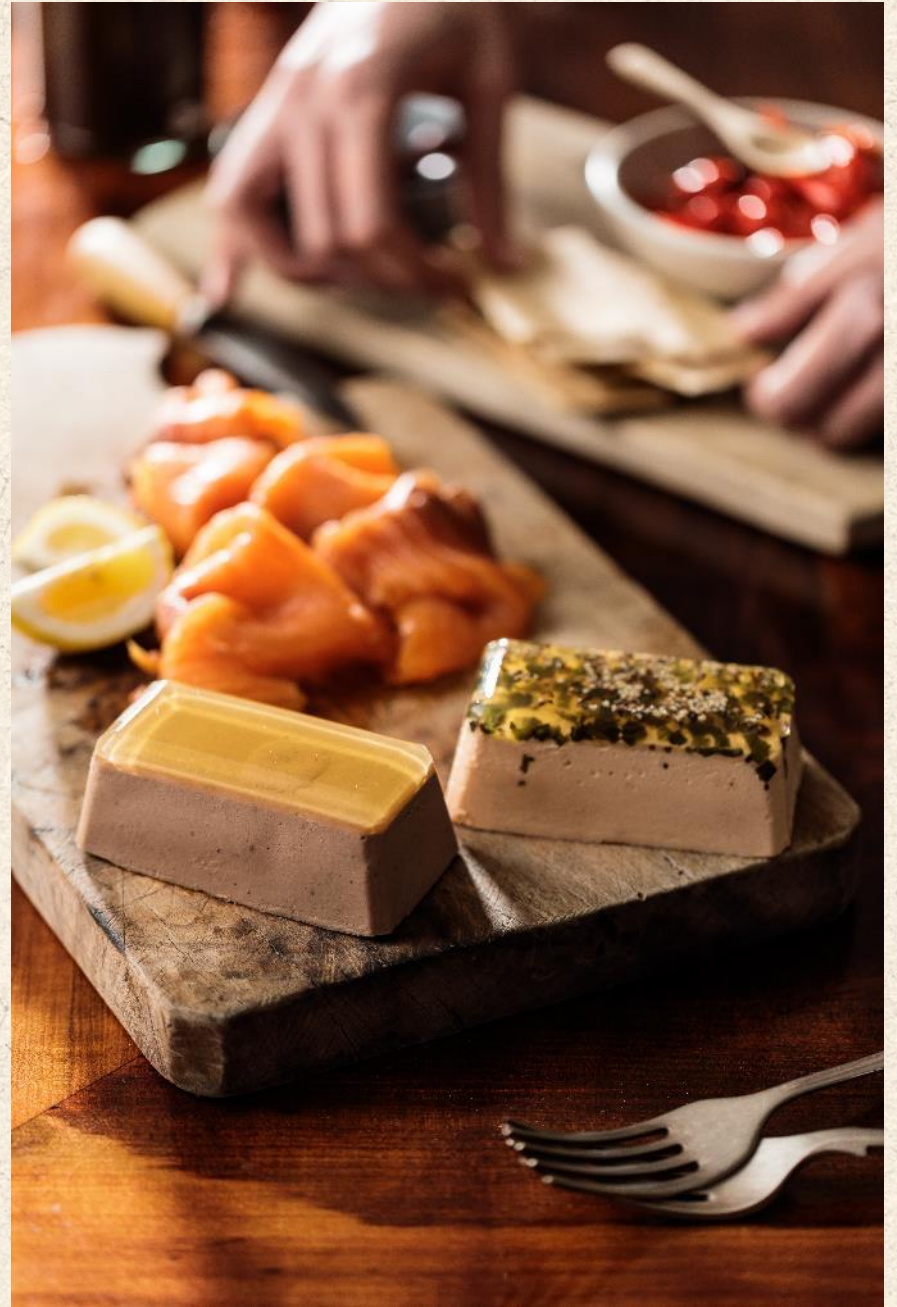




HOMESTEAD



by Tasmanian Pâté





OPERATIONAL HIGHLIGHTS



Daly Frozen meal range launched in Q1 FY23, continued with strong demand in December 23.

- Daly Potato Co sold 37,000 frozen meal tray units across four varieties to Woolworths nationally in Q2 FY24.
- Staff costs were reduced by \$369k in Q2 v Q1 FY24 through focussed roster management and further investments in automation, which enabled the business to further reduce staff costs. That investment is ongoing.
- An organisational restructure was deployed in December 23, providing greater accountability but with no overall increase to staff costs.
- The successful sale of Lauds Plant-Based Foods was completed on the 28th of December 2023.

FINANCIAL HIGHLIGHTS



- Cashflow from operations for Q2 FY24 was (\$0.066 million), compared to Q1 FY24 of (\$0.670 million), which includes the FY23 R&D tax incentive receipt of \$0.377 million. Interest received from invested funds, being \$0.109 million, was also realized in November 2023.
- Proceeds from the sale of Lauds Plant-Based Foods division were realized in December 2023.
- A new asset finance lease was entered into for the purchase of the two steam jacketed kettles and dosing unit to produce Potato & Gravy.
- Cash on hand of \$3.490 million as of 31st December 2023, is further supported by a \$1 million shareholder loan to support the business need for capital investment in automation.

MD's REPORT



Michael Cooper, Managing Director and CEO, highlighted:

“Q2 FY24 saw strong demand maintained for Tas Pate and our Daly frozen range. Over this period, we continued to see Daly sales exceed our capacity to produce, unfortunately resulting in our inability to supply all orders due to the sheer volumes required.

Our production capacity constraints at Daly for frozen meal trays will affect our targeted sales for FY24. Our original plan was to grow by 50% over FY23 however due to the delays in finding an automated solution to further increase capacity, we will not achieve that growth. The company is a victim of its own success and we had planned for orderly growth in sales which the business could accommodate with its capacity and existing capital base, but demand was many multiples above even our most optimistic target.

Our focus in the second half of FY24 is to investigate and progress towards improved automation solutions, mainly across Tasmania Pate and Daly Potato Co where demand for our products remain robust and increasing. However, meeting demand while undertaking necessary investment will be challenging although unavoidable as the Company must redress production bottlenecks.

The Cashew Creamery's new 1lt Tubs are performing well with two new flavours to be launched in Q3 FY24.

Woodbridge Smokehouse has seen the re introduction of Ocean Trout to our product suite in Q2 FY24. Supply of Ocean Trout was restricted with growers experiencing challenging growing conditions in Q1 FY24. This opens opportunities to explore new markets which we will focus on in Q3 FY24.”



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.

purefoodstas.com



Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the Company') provides its Quarterly Activities Report and Appendix 4C for the quarter ended 31st December 2023.

Unless otherwise stated all financial results are unaudited.

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

For further information, please contact:



Michael Cooper
Managing Director

+61 419 124433



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")

 31st December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,420	4,610
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,651)	(3,079)
(c) advertising and marketing	(50)	(61)
(d) leased assets	(20)	(50)
(e) staff costs	(948)	(2,265)
(f) administration and corporate costs	(130)	(227)
1.3 Dividends received (see note 3)		
1.4 Interest received	109	113
1.5 Interest and other costs of finance paid	(65)	(126)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	377	377
1.8 Other (GST claims, insurance claim)	(108)	(28)
1.9 Net cash from / (used in) operating activities	(66)	(736)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(2)	(49)
(b) businesses		
(c) property, plant and equipment	(377)	(432)
(d) investments		
(e) intellectual property		
(f) other non-current assets	(1)	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	206	215
	(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	(174)	(266)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds / (repayment) 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	1,548	1,548
3.6	Repayment of borrowings	(176)	(250)
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)	(205)	(277)
3.10	Net cash from / (used in) financing activities	1,167	1,021

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,563	3,471
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(66)	(736)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(174)	(266)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,167	1,021
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,490	3,490

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	990	63
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)	3,490	2,563

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	26
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 \$4,167 in payments to the Fleming Family Trust as a retainer for director Ken Fleming's services.

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

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	5,151	4,151																																																																																																						
7.2	Credit standby arrangements	891	0																																																																																																						
7.3	Other (please specify – credit card)	30	0																																																																																																						
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7.5	Unused financing facilities available at quarter end		1,921																																																																																																						
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.																																																																																																								
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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)	(66)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,490
8.3	Unused finance facilities available at quarter end (item 7.5)	1,921
8.4	Total available funding (item 8.2 + item 8.3)	5,411
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	82 quarters
	<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:30 January 2024.....

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.