

Farm Pride Food Ltd.
ABN: 42 080 590 030

551 Chandler Rd Keysborough
VIC 3173 Australia

1800 OZ EGGS
farmpride.com.au



30 April 2024

ASX Announcements Office

Farm Pride Foods Limited (ASX:FRM)

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Farm Pride Foods Limited ("**Farm Pride**", "**Company**") is pleased to provide the following update to shareholders for the quarter ended 31 March 2024 ("**Quarter**").

During the Quarter, the financial and operating turnaround of the business continued. Multiple process and personnel changes were made, particularly in the operating areas of the business. New transport providers were engaged with significant cost savings expected. Over \$200k was spent on improvements in the Keysborough processing plant and farming infrastructure which are expected to deliver both productivity and efficiency improvements.

Repairs and maintenance expenditure continues to be focused on improvements showing the best returns. Operational and cost reviews are continuing and are expected to add further to the turnaround. Year to date, the Company has spent \$600k more on repairs and maintenance than in the prior year.

While these improvements in processes and equipment continue, the business experienced a number of one-off events costing approximately \$400k during the Quarter. These events resulted in personnel and operating changes. Further cost reviews are being undertaken which are expected to have additional benefits.

The Company had net operating cash outflows of \$0.697m during the Quarter, including net receipts from customers of \$23.685m. Multiple flock changeovers took place during the Quarter with the Company's own egg production supplemented by increased external egg purchases. These external purchases were approximately \$1.2m higher in both of the most recent two quarters as compared to the first quarter of the financial year. These purchases are expected to reduce as new flocks commence production in the final quarter of the financial year.

Cash on hand at the end of the Quarter of \$1.672m includes a cash backed rental guarantee of \$1.017m. Unused financing facilities available at Quarter end were \$0.041m. The Company received further funding facilities totaling \$0.775m from entities associated with its board members during the Quarter to assist the Company to progress various initiatives and improvements. These advances demonstrate the level of support and confidence of board members to the turnaround.

Further progress has been made on the sub-division and land sale of the surplus Lethbridge property for \$2.350m with council approval received and the plan of sub-division lodged for registration. Once the plan is registered, settlement is to take place within 10 business days.

Contact Details

Justin Mouchacca
T: +61 3 9798 9207

E: companysecretary@farmpride.com.au

This announcement has been authorised by the Board of Farm Pride Foods Ltd.



Farm Pride Food Ltd.
ABN: 42 080 590 030

551 Chandler Rd Keysborough
VIC 3173 Australia

1800 OZ EGGS
farmpride.com.au



About Farm Pride (FRM)

Farm Pride is a leading ASX listed vertically integrated egg company that farms, processes and markets a range of egg and egg related products. FRM continues to develop its farming business to meet the markets evolving requirement for cage free eggs. FRM maintains strong relationships in the supermarket channel and with industrial food manufacturers. FRM is also committed to maintaining the highest level of environmental, social and corporate governance responsibility and is the only egg company in Australia to manufacture its own egg cartons using recycled newsprint and cardboard. For more information, visit FRM's website.



Appendix 4C

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

Name of entity

Farm Pride Foods Limited

ABN

42 080 590 030

Quarter ended ("current quarter")

31 March 2024

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	23,685	71,899
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(17,182)	(51,212)
(c) advertising and marketing	-	-
(d) leased assets	(1,332)	(4,386)
(e) staff costs	(5,900)	(17,353)
(f) administration and corporate costs	(767)	(2,666)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(581)	(1,671)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST refund)	1,380	4,582
1.9 Net cash from / (used in) operating activities	(697)	(807)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(211)	(1,152)
(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)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(211)	(1,152)
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	775	3,675
3.6	Repayment of borrowings	(401)	(2,032)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	374	1,643
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,206	1,988
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(697)	(807)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(211)	(1,152)

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)	374	1,643
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,672	1,672

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	655	1,189
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	1,017	1,017
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,672	2,206

Other – this is a cash backed rental guarantee for the Keysborough production facility. These funds are not available for operating purposes.

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	213
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Payments to related parties and their associates included at 6.1 include:

- Managing and Non-executive directors' salaries \$132K.
- Egg and egg product purchases \$40K.
- Interest on financing facility \$41k.

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.

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	18,367	18,326
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	398	398
7.4 Total financing facilities	18,765	18,724
7.5 Unused financing facilities available at quarter end		41
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>The Company has facilities with five different parties.</p> <p>The first is held with MC FP Pty Ltd (Merricks Capital). The interest rate is currently 12.89% with a maturity date of 31 August 2024. The facility limit is \$14.342m and is secured by a fixed charge over company assets.</p> <p>The second facility is held with AMAL Trustees Pty Ltd (TP24). The interest rate is currently 10.95% with a maturity date of 31 August 2024. The facility limit is \$2.000m and is secured over receivables.</p> <p>The third facility is held with Ackenberg Holdings Pty Ltd. The interest rate is currently 10.35% with a maturity date of 30 June 2024. The facility limit is \$1.750m and it's an unsecured facility.</p> <p>The fourth facility is held with LDL Custodians Pty Ltd. The interest rate is currently 10.35% with a maturity date of 30 June 2024. The facility limit is \$0.200m and it's an unsecured facility.</p> <p>The fifth facility is held with the Non-Executive Director of the company, Mr. Bruce De Lacy. The interest rate is currently 10.35% with a maturity date of 30 June 2024. The facility limit is \$0.075m and it's an unsecured facility.</p> <p>The facilities included under "other" include: \$0.398m of balance owed to creditor (Scolexia Pty Ltd). In March 2023, it was converted into an unsecured 3 year loan at an interest rate of 7.5%, to be repaid monthly.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(697)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,672
8.3 Unused finance facilities available at quarter end (item 7.5)	41
8.4 Total available funding (item 8.2 + item 8.3)	1,713

8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.46
<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		
<i>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.</i>		

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 April 2024.....

Authorised 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.