



# Australian Dairy Nutritionals Group

31 July 2019

ASX Code: AHF

## Commentary on Appendix 4C

Australian Dairy Nutritionals Group (AHF) provides the following commentary on the Appendix 4C released to ASX on 31 July 2019.

- **31% increase in gross receipts from customers of \$6.231m versus same quarter 2018 of \$4.753m.**
- **Group borrowings reduced 17% from \$14.550m in December quarter 2018 to \$12 054m at 30 June 2019.**
- **Successful capital raise completed for \$12 million (before costs) with tranche 1 funds received, and tranche 2 to be received subject to approval at the EGM on 13 August 2019.**
- **FY2020 material increase in contracted milk price expected to contribute an EDITDA increase of \$1.1 to \$1.3 million.**

### Sales and Production

The June 2019 quarter showed strong sales increases over the same quarter 2018 from new revenues streams for Camperdown Dairy. Group revenues are expected to continue to increase in FY20.

The team are busy developing several new products, both company owned and contract manufactured with several due for release in the first half of this financial year.

### Infant Formula Plant Update

The infant formula plant project remains on track both from a timing and financial perspective with the final containers due to arrive in Australia early next week. Planning is progressing well for the site development.

### Yaringa Farm Acquisition

The Yaringa farm at Nirranda South is on target to obtain full organic certification in November 2019. Fully certified organic milk is currently attracting an industry price of \$9 – 9.40 per kg milk solids versus \$6.80 per kg milk solids for conventional milk supplied to major processors.

**Ends.**

## Further Details

For additional company information or media enquiries, please contact:

### **Australian Dairy Nutritionals Limited**

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## Communications Policy

*AHF makes ASX market releases at times directors believe it would be helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to AHF's website: [www.adfl.com.au](http://www.adfl.com.au).*

## About Australian Dairy Nutritionals Group

**Australian Dairy Nutritionals Group (AHF)** (previously named Australian Dairy Farms Group) is a vertically integrated Australian dairy group which owns high quality dairy farms and a processing facility (Camperdown Dairy Company) located in South Western Victoria, the 'Golden Triangle' of Australia's dairy industry. The Group is a trusted source of premium quality branded dairy products using milk sourced fresh from its farms.

## Disclaimer – Forward Looking Statements

*This announcement may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry, in which it operates, and beliefs and assumptions. Forward looking statements may include indications of, and guidance on, future earnings or distributions and financial position and performance and involve known and unknown risks. Uncertainties and other factors, many of which are beyond the control of AHF, and its officers, employees, agents, or associates, that may cause actual results to differ materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and AHF assumes no obligation to update such information.*

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

#### Name of entity

Australian Dairy Nutritionals Group, Comprising:  
Australian Dairy Nutritionals Limited - ABN: 36 057 046 607; and  
Australian Dairy Farms Trust – ARSN: 600 601 689

#### ABN

See Above

#### Quarter ended (“current quarter”)

30 June 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	6,231	22,124
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(4,641)	(17,729)
	(c) advertising and marketing	(7)	(24)
	(d) leased assets	(4)	(14)
	(e) staff costs	(1,252)	(4,620)
	(f) administration and corporate costs	(461)	(1,592)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	5
1.5	Interest and other costs of finance paid	(165)	(638)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(299)</b>	<b>(2,488)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(348)	(6,580)
	(b) businesses (see item 10)	-	(265)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) investments	-	-
	(d) intellectual property	(14)	(21)
	(e) other non-current assets	(5)	(54)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	2,600	2,739
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>2,233</b>	<b>(4,181)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,718	6,354
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	5,203
3.6	Repayment of borrowings	(2,567)	(3,471)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,151</b>	<b>8,086</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	664	2,332
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(299)	(2,488)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,233	(4,181)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,151	8,086

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>3,749</b>	<b>3,749</b>

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	3,749	664
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,749</b>	<b>664</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

133

-

Director fees and executive director salary.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

23

-

Payment to Jimmy Crow Limited for administrative services and related activities.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	12,054	12,054
8.2 Credit standby arrangements		
8.3 Other (Short-term credit facility)	1,000	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Commonwealth Bank of Australia Limited – Secured Loan Facilities (Variable Interest Rate: 4.25%)  
Commonwealth Bank of Australia Limited – Short-term credit facility closed 15 July 2019

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(4,431)
9.3 Advertising and marketing	(10)
9.4 Leased assets	(4)
9.5 Staff costs	(1,153)
9.6 Administration and corporate costs	(437)
9.7 Other (provide details if material)	(141)
<b>9.8 Total estimated cash outflows</b>	<b>(6,176)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies, which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 31 July 2019

Print name: Michael Hackett (Director)

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.