



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)

25 July 2022

Quarterly Activities Report for Q4 FY22

Strong Revenue for group sales up 34% full year FY22 v full year FY21 Potato & Gravy back in Woolworths stores*

Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the Company') provides its Quarterly Activities Report and Appendix 4C for the quarter ended 30 June 2022. Unless otherwise stated all financial results are unaudited.

FINANCIAL HIGHLIGHTS

- Q3 FY22 sales revenue of \$2.20 million, up 17% vs Q4 FY21
- Full year FY22 sales revenue up 34% from \$7.74m in FY21 to \$10.39m
- The Cashew Creamery sales up 553% from Q4 FY22 of \$124.5k vs Q4 FY21 of \$19.1k
- Plant-based foods segment sales up 78% from Q4 FY22 of \$189.8k vs Q4 FY21 of \$106.5k
- Strong revenue growth across all divisions and PFT has also passed on cost increases to all sales channels in Q4 FY22.
- Net cash of \$2.49 million as at 30 June 2022 provides capital for continued investment to expand product ranging, lift manufacturing capacity, improve automation and explore complementary new products.

OPERATIONAL HIGHLIGHTS

- *Daly Potato Co new Potato & Gravy 100% recyclable packaging will be back in Woolworths stores in QLD & TAS in early September (see image attached)
- 553% increase in sales of four-packs with The Cashew Creamery. This has been driven by the success of five flavours, ranged in Woolworths Metro stores in addition to IGA stores the brand continues to out preform all expectations
- Woodbridge Smokehouse sales up 26% in Q4 FY22 v Q4 FY21 reflecting strong demand driven by export and IGA sales within Australia
- Plant-based foods segment expanded with the launch of our new cashew cream cheese spreads

Potato & Gravy moves to 100% Recyclable Packaging available in Woolworths stores in early September in both QLD & TAS



Michael Cooper, Managing Director and CEO, highlighted, "Over the quarter we have continued to deliver exceptional results and strong performance across our business segments. This demonstrates the ongoing successful execution of our strategy, and more importantly of the strong customer demand for our quality range of products".

Launched in Q4 FY22 Premium Plant-Based Cashew Cream Cheese range



The 4 flavours will be available in TAS, VIC, NSW, QLD with SA & WA to follow in Q1 FY23.



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FINANCIAL REVIEW

PFT delivered \$2.20 million in sales for Q4 FY22, a 17% increase on the previous corresponding period. The significant increase in sales is a result of our increased product offering, expanded distribution and continued product development. PFT has also been challenged by increasing raw material costs and is working with its suppliers to reduce this impact. PFT has increased its selling prices to customers during Q4 FY22 and has further increases approved during Q1 FY23. It is expected that Woodbridge Smokehouse sales will soften in Q1 FY23 as a result.

PFT spent a total of \$3.34 million on business activities during Q4 FY22 (Q3 FY22 = \$3.84 million), a 13.2% decrease on the prior quarter. Expenditure for the quarter comprised of approximately \$1.86 million for product manufacturing and operating costs, \$1.16 million for staff costs, \$0.20 million for administration and corporate costs and \$0.12 million for advertising and marketing. PFT also received the FY21 R&D tax incentive in Q4 FY22 of \$0.20 million.

On capital expenditure for the quarter Q4 FY22 PFT spent \$96k to bring YTD capital expenditure to \$1.85 million.

OPERATIONAL REVIEW

The quarter saw strong demand across PFT's product portfolio. Key operational highlights include:

Woodbridge Smokehouse: Revenue in Q4 FY22 with sales up 26% vs PCP this was driven by our growing distribution channels within Australia and Asia and growing demand.

Daly Potato Co: Delivered revenue of \$465,219 in Q4 FY22. There was a strong focus on securing and validating new packaging for Potato & Gravy which is relaunching in early September 2022.

Tasmanian Pate: Homestead SKUs ranged during FY22 continues to grow sales with a 12% increase in Q4 v PCP. Q1 FY23 will see installation of new plant and equipment to create automation and efficiencies.

The Cashew Creamery: Sales continue to grow with sales in Q4 FY22 growing at 553% vs Q4 FY21. New plant & equipment is being installed in Q1 FY23 to support demand, further improve quality and allow for further product extension.

Lauds Plant-Based Foods: Fresh updated packaging has delivered new consumers to the brand, in Q1 FY23. New products will be launched to extend our distribution into other sales channels.



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CORPORATE

As detailed in the attached ASX Appendix 4C, the Company had \$2.49 million in cash and \$1.54 million in undrawn facilities as at 30th June 2022.

Payments of \$33,000 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 and approved by the Board of PFT.

For further information, please contact:

Corporate

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Investor Relations

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+61 402 824 211

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 2022

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	2,136	9,830
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,861)	(8,005)
(c) advertising and marketing	(118)	(375)
(d) leased assets	(3)	(6)
(e) staff costs	(1,156)	(4,849)
(f) administration and corporate costs	(202)	(805)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	24
1.5 Interest and other costs of finance paid	(12)	(69)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	200	200
1.8 Other (provide details if material)	(20)	192
1.9 Net cash from / (used in) operating activities	(1,025)	(3,863)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	(40)
(b) businesses		
(c) property, plant and equipment	(95)	(1,736)
(d) investments		
(e) intellectual property	0	(4)
(f) other non-current assets	0	(70)

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	1	1
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	(0)	(0)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(94)	(1,849)

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		5,300
3.3	Proceeds from exercise of options		2,280
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(0)	(374)
3.5	Proceeds from borrowings		274
3.6	Repayment of borrowings	(67)	(630)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principal component of lease payments)	(56)	(274)
3.10	Net cash from / (used in) financing activities	(123)	6,576

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,727	1,621
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,025)	(3,863)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(94)	(1,849)

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)	(123)	6,576
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,485	2,485

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	2,485	327
5.2	Call deposits	0	3,400
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)	2,485	3,727

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	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: The amounts paid above entirely relates to \$6,250 in payments to the Fleming Family Trust as a retainer for director Ken Fleming's services.</i>		

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	2,716	1,253																																																																	
7.2	Credit standby arrangements																																																																			
7.3	Other (please specify)	75	1																																																																	
7.4	Total financing facilities	2,791	1,254																																																																	
7.5	Unused financing facilities available at quarter end		1,537																																																																	
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;"> <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;">Secured or Unsecured</th> <th style="text-align: center;">Amount Drawn \$A'000</th> </tr> </thead> <tbody> <tr><td>NAB</td><td style="text-align: center;">3.13%</td><td style="text-align: center;">Sep-24</td><td style="text-align: center;">Secured</td><td style="text-align: center;">16</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.72%</td><td style="text-align: center;">Dec-24</td><td style="text-align: center;">Secured</td><td style="text-align: center;">490</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Mar-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">99</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Apr-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">41</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Apr-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">54</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Apr-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">166</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.49%</td><td style="text-align: center;">Jun-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">24</td></tr> <tr><td>CBA</td><td style="text-align: center;">3.49%</td><td style="text-align: center;">Aug-26</td><td style="text-align: center;">Secured</td><td style="text-align: center;">249</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Jun-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">14</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Jun-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">16</td></tr> <tr><td>CBA</td><td style="text-align: center;">2.92%</td><td style="text-align: center;">Jun-25</td><td style="text-align: center;">Secured</td><td style="text-align: center;">83</td></tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td></td> <td style="text-align: center;">1,253</td> </tr> </tbody> </table> <p>The items included as other facilities are NAB Business Visa accounts & Commonwealth Bank MasterCard accounts.</p>			Lender	Interest Rate	Maturity Date	Secured or Unsecured	Amount Drawn \$A'000	NAB	3.13%	Sep-24	Secured	16	CBA	2.72%	Dec-24	Secured	490	CBA	2.92%	Mar-25	Secured	99	CBA	2.92%	Apr-25	Secured	41	CBA	2.92%	Apr-25	Secured	54	CBA	2.92%	Apr-25	Secured	166	CBA	2.49%	Jun-25	Secured	24	CBA	3.49%	Aug-26	Secured	249	CBA	2.92%	Jun-25	Secured	14	CBA	2.92%	Jun-25	Secured	16	CBA	2.92%	Jun-25	Secured	83	TOTAL				1,253
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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)	(1,025)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,485
8.3	Unused finance facilities available at quarter end (item 7.5)	1,537
8.4	Total available funding (item 8.2 + item 8.3)	4,022
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
	<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:

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:

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:

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 2022

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.