

## ASX Announcement

ASX: BCL

24 December 2019

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# BUNJI TO ACQUIRE PURE FOODS TASMANIA

## HIGHLIGHTS

- Bunji has entered into a share sale agreement with key shareholders of Pure Foods Tasmania to acquire 100% of the company
- PFT owns and operates Tasmanian Pate, one of Australia's largest pate businesses, and Woodbridge Smokehouse, a boutique producer of ultra-premium Tasmanian smoked salmon and trout
- Proven Board and management team with significant experience in the food and beverage sector will be appointed on completion of the transaction
- Bunji will conduct a capital raising to raise a minimum of \$3 million and relist on the ASX under the name "Pure Foods Tasmania Limited" and with PFT's portfolio of Tasmanian businesses, as well as a defined strategy for growth.

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## SUMMARY

Bunji Corporation Limited (ASX:BCL) (the **Company**) is pleased to announce that it has entered into a share sale agreement with key shareholders of Pure Foods Tasmania Pty Ltd (**PFT**) holding 12.66% of the PFT shares which contemplates the Company acquiring 100% of the issued shares in PFT (**PFT Shares**) (**Share Sale Agreement**) (**Transaction**). It is a condition to completion under the Share Sale Agreement that the Company enters into ancillary share sale agreements (**Ancillary SSAs**) with all other shareholders of PFT (**Minority Sellers**) such that on completion, the Company will acquire 100% of the PFT Shares.

As part of the Transaction and to implement a more appropriate capital structure for the Company moving forward, the Company intends to cancel 46,043,213 existing fully paid ordinary shares (**Shares**) by way of a selective reduction of capital (**Share Cancellation**) and conduct a consolidation of its capital on a 10 to 1 basis (**Consolidation**).

Under the Share Sale Agreement and Ancillary SSAs, the Company will acquire 100% of the PFT Shares in consideration for the issue (on a post-Consolidation basis) of 23,500,000 Shares and 6,000,000 Options (each with an exercise price of \$0.30 expiring 8 November 2021).

On completion of the Transaction, current Directors Nicholas Young, Peter Woods and Shaun Hardcastle will resign from the Board, and a new Board (including the existing Directors of PFT) will be appointed.

Completion of the Share Sale Agreement is subject to the satisfaction (or waiver) of various conditions precedent, including ASX and shareholder approval. A summary of the key terms of the Share Sale Agreement is set out further below.

As part of the Transaction, the Company will conduct a public offer capital raising to raise a minimum of \$3 million through the issue of (on a post-Consolidation basis) 15 million Shares at an issue price of \$0.20 per Share (with the ability to accept oversubscriptions of up to an additional \$500,000 through the issue of up to an additional 2.5 million Shares) (**Public Offer**).

The Company intends to issue a notice of meeting to seek shareholder approval for the Transaction and a Prospectus to conduct the Public Offer in accordance with the timetable set out further below. Full details of the Transaction will be set out in the notice of meeting and prospectus. On completion of the Transaction, the Company will change its name to "Pure Foods Tasmania Limited" to better reflect its new direction.

The Transaction will result in a significant change to the nature and scale of the Company's activities. Accordingly, as noted above, the Company will seek shareholder approval under ASX Listing Rule 11.1.2 at a general meeting and will also seek to re-comply with Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. ASX has absolute

discretion in deciding whether or not to re-admit the Company to the ASX Official List. As such, the Transaction may not proceed if the ASX exercises that discretion, if the requirements for re-compliance with Chapters 1 and 2 of the ASX Listing Rules are not satisfied or if shareholders do not approve the Transaction. Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

#### PURE FOODS TASMANIA

Pure Foods Tasmania Pty Ltd is an Australian private company formed in 2015 with the aim to acquire, grow and develop premium food businesses in Tasmania. To date, and in line with this strategy, PFT has acquired two businesses:

- **Woodbridge Smokehouse:** Woodbridge Smokehouse is a producer of premium quality ocean trout and Atlantic salmon. The business sources trout and salmon from Tasmanian suppliers which are then smoked and processed at the business's purpose-built smokehouse and processing facility located on a 25-acre apple orchard on the south-east coast of Tasmania. From this facility, the business produces a range of hot and cold smoked ocean trout and Atlantic salmon products which are sold to a number of wholesale customers as well as to retail customers through the business's website. Around ~60% of these products are exported to Asian markets, with Singapore and Hong Kong being key markets. In Australia, the products are sold to high end food service providers and retailers.
- **Tasmanian Pate:** Tasmanian Pate is one of Australia's largest pate businesses. The business produces a range of premium pates in a variety of sizes out of a purpose-built facility located at Mornington, Hobart. The business recently moved to this larger purpose-built facility (from smaller facilities in North Hobart) in line with its growth strategy. Tasmanian Pate's main customers include major supermarkets Woolworths, Costco and IGA.

Key operating metrics for PFT for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019 (based on audited figures for those years) are set out below:

|                         | FY17 (\$)     | FY18 (\$)        | FY19 (\$)     |
|-------------------------|---------------|------------------|---------------|
| Sales                   | 3,119,334     | 3,580,782        | 3,789,405     |
| Cost of goods sold      | 2,144,813     | 2,574,751        | 2,478,721     |
| Gross Profit            | 974,521       | 1,006,031        | 1,310,684     |
| Expenses                | 1,125,142     | 1,576,053        | 1,329,045     |
| <b>Profit after tax</b> | <b>56,952</b> | <b>(499,563)</b> | <b>11,842</b> |

PFT's growth strategy is to: (a) organically grow the Woodbridge Smokehouse and Tasmanian Pate businesses through increased market penetration, entering new markets and obtaining new customers, new product development as well as improving processes through the purchase of new plant and equipment; and (b) grow through the acquisition of complementary businesses, with a focus on synergistic and similar premium food/beverage businesses in Tasmania, as well as other complementary businesses.

The key risks and dependencies of the PFT business include:

- Dependence on key personnel risk: PFT's operations, growth and success largely depends on the core competencies of the Directors and management (in particular, Mr Cooper as Managing Director). The loss of any key executive could adversely impact the business.
- Business strategy risk: PFT has a defined growth strategy, however, failure to execute this strategy could adversely impact the business.
- Key customers risk: PFT depends on securing and maintaining major customers and placing product into the market at competitive prices to achieve acceptable margins and trading terms. The loss of any significant customer may adversely impact on the company's operating and financial performance.
- Distribution and export risks: a significant portion of PFT's revenues are derived from exports to various markets, particularly to Asian countries. A loss of any distribution channels and/or any adverse changes to trade tariffs and other matters which impact the ability of PFT to export could materially impact on the business.
- Supplier risk: PFT sources ingredients for its products from a number of suppliers. The loss of a supplier may adversely impact on the company's operating and financial performance, however, given the number of available suppliers for PFT's raw products, the company considers this to be a very low risk. While PFT has no contractual security of supply at present, this is considered standard for the industry in which PFT operates and PFT has long term trade accounts established with several suppliers.
- Demand risk: PFT's growth objectives depend on continued growth in the demand for its products in domestic and international markets, predominantly in Asia. Changes in consumer dietary preferences or an excess of supply of products may adversely impact demand or prices for these products.

- Competition risk: PFT operates in the highly competitive fast-moving consumer goods global business market and competes with a number of market participants. There are risks that PFT will not be able to compete with other participants in the market.
- Food safety, handling and product quality risks: as with all food producers, PFT is exposed to the risk of product contamination and product recalls. PFT implements and maintains strict quality control policies and provides high levels of training for its staff to mitigate these risks, however any serious food poisoning incident could have a material adverse impact on the business.

In the calendar year to date, PFT has raised \$1,602,400 through the issue of PFT Shares (including an amount of \$375,000 from the conversion of shareholder loans into shares). PFT has issued the following ordinary shares in the 6 months preceding this Notice:

- 32,691 PFT Shares at a deemed issue price of \$1.30 per share on 30 June 2019 to entities associated with Ken Fleming, Malcolm McAully, Michael Cooper and former PFT Directors, Robert Johnston and Rohan Boman, in part payment of outstanding Director fees;
- 2,692 PFT Shares at a deemed issue price of \$1.30 per share on 26 September 2019 to a non-related employee of PFT under PFT's employee incentive scheme;
- 5,000 PFT Shares at a deemed issue price of \$1.30 per share on 26 September 2019 to a non-related consultant of PFT in part payment of outstanding consulting fees;
- 3,906 PFT Shares at a deemed issue price of \$1.60 per share on 26 November 2019 to entities associated with former PFT Directors, Robert Johnston and Rohan Boman, in part payment of outstanding Director fees; and
- 11,718 PFT Shares at a deemed issue price of \$1.60 per share on 16 December 2019 to entities associated with Ken Fleming, Malcolm McAully and Michael Cooper in part payment of outstanding Director fees.

## TRANSACTION DETAILS

### Share Sale Agreement

The Company has entered into the Share Sale Agreement with key shareholders of PFT together holding 12.66% of the issued shares in PFT to acquire 100% of the issued shares in PFT. It is a condition to completion under the Share Sale Agreement that the Company enters into the Ancillary SSAs with all other shareholders of PFT such that on completion, the Company will acquire 100% of the issued shares in PFT.

Under the Share Sale Agreement and the Ancillary SSAs, the Company will acquire all of the issued shares in PFT in consideration for the issue of (on a post-Consolidation basis) 23,500,000 Shares and 6,000,000 Options (each with an exercise price of \$0.30 expiring 8 November 2021).

As noted above, as part of the Transaction the Company intends to cancel 46,043,213 existing Shares (**Advisor Shares**) by way of a selective reduction of capital and conduct the Consolidation of its capital on a 10 to 1 basis.

The Advisor Shares were issued in consideration for restructuring and corporate advisory services to nominees of Otsana Capital pursuant to a recapitalisation proposal in respect of the Company which was implemented in August 2018. Full details of the recapitalisation proposal can be found in the Company's Notice of Meeting released on ASX on 5 July 2018. A separate class meeting for the Otsana nominees to approve the cancellation of these Advisor Shares will be held in due course.

Completion under the Share Sale Agreement is subject to the satisfaction of a number of conditions precedent, including:

- completion of due diligence by both parties to their satisfaction;
- execution of the Ancillary SSAs;
- shareholder approval;
- the Company completing the Share Cancellation, Consolidation and the Public Offer; and
- the Company receiving a conditional re-listing letter from ASX advising that ASX will reinstate the Shares to Official Quotation on ASX following completion of the Transaction (and related matters).

The Share Sale Agreement contains additional provisions, including warranties and indemnities in relation to the status and operations of PFT which are considered standard for agreements of this kind.

As part of the Transaction, the Company will seek the following waivers from ASX:

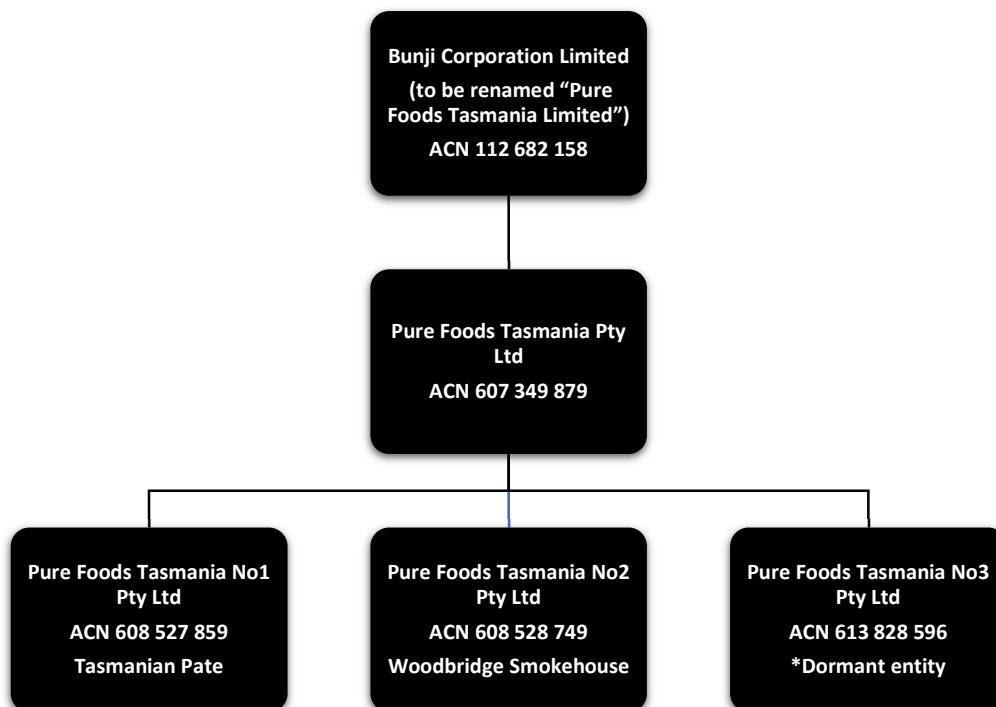
- (a) 9.1 to permit the Company to apply 'look through relief' to the Shares and New Options to be issued to the PFT Vendors; and
- (b) 10.13.3 to permit the Notice to state that Shares and Incentive Options to be issued to certain related parties will be issued on Completion of the Transaction (rather than within 1 month of the Shareholder meeting).

Completion of the Transaction will take place shortly after satisfaction or waiver of the conditions precedent. On completion, the Company will acquire 100% of the PFT shares, all existing Directors of the Company will resign and PFT's nominees Malcolm McAully, Michael Cooper, Sandy Beard and Ken Fleming will be appointed to the Board. Profiles of these proposed Directors are provided below.

#### CORPORATE STRUCTURE

The corporate structure of the Company on completion of the Transaction is as follows:

#### CAPITAL RAISING



As noted above, as part of the Transaction, the Company will conduct the Public Offer to raise a minimum of \$3 million through the issue of (on a post-Consolidation basis) 15 million Shares at an issue price of \$0.20 per Share (with the ability to accept oversubscriptions of up to an additional \$500,000 through the issue of up to an additional 2.5 million Shares). The Company has appointed Prenzler Group Pty Ltd to be Lead Manager to the Public Offer, for which the Company will pay Prenzler a fee of 6% of the amount raised and issue Prenzler (or its nominees) (on a post-Consolidation basis) 1,582,715 Shares and 500,000 options (each with an exercise price of \$0.30 and expiring 8 November 2021). Prenzler has indicated that it is likely to transfer some of these Shares and options to third parties who will assist with the Public Offer and/or promoting or marketing the Company. Otsana Capital will receive a fee of \$100,000 on completion for project managing the Transaction. Further, the Company is in the process of finalising a convertible loan raising to raise \$500,000 (before costs). Subject to shareholder approval, the convertible loans will automatically convert into Shares at a conversion price of \$0.20 (on a post-Consolidation basis) on completion of the Transaction.

Funds under the Public Offer and convertible loan raising will be used to allow the Company to fund the purchase of additional plant and equipment, business development and marketing expenses, new product development, working capital and for costs of the Transaction and facilitating the relisting of the Company on ASX.

#### **BOARD AND MANAGEMENT**

As noted above, current Company directors, Nicholas Young, Peter Woods and Shaun Hardcastle will resign on completion of the Transaction and Mr Malcolm McAully, Mr Michael Cooper, Mr Sandy Beard and Mr Ken Fleming will be appointed to the Board.

##### **Mr Malcolm McAully – Non-Executive Chairman**

Malcolm McAully is an experienced Company Director having held roles over a diverse range of industry backgrounds such as financial services, energy generation, waste management, agribusiness, technology manufacturing, human resource management and food manufacturing. Malcolm was the Chairman of ASX listed Pinnacle VRB Ltd (ASX:PCE) from 2004 to 2005, and remained Chairman when the company (following an acquisition) changed its name to Cougar Energy Limited (ASX:CXY) until 2013 when he resigned. Malcolm is also the Chairman of Chaucer Energy Limited which is seeking to list on ASX in 2020.

Malcolm has held various executive management positions including National Manager for MLC Life when owned by the Lend Lease Group. He holds a Master of Business and qualifications in accounting, business management, mediation, turn around management and GAICD. Malcolm's primary focus is on strategic development, financial performance, corporate governance and investor relations.

##### **Mr Michael Cooper – Managing Director**

Michael Cooper is currently the Managing Director of PFT. Michael has over 28 years' experience in senior executive roles in the food and beverage industry. He was the CEO and later Managing Director of Juicy Isle Pty Ltd (JI) and recently sold his family interest to Myer Family Investments. JI was the largest supplier of organic juice in Australia to Woolworths, Coles and Costco. He was also a Director (2012 to 2017) of Ausfec Ltd, a \$550M revenue business. Ausfec was the major route to market distribution channel for global brands such as Cadbury, Nestle, Mars, Wrigley, Smith and SBA Snack Foods, Red Bull and V energy drinks. Michael joined the PFT Board in February 2017 and was appointed Managing Director on a part time basis in October 2018 and full time from April 2019.

##### **Mr Sandy Beard – Non-Executive Director**

Sandy Beard is the former Managing Director of CVC Limited (ASX:CVC), joining the company in 1991 and Managing Director between 2002 to 2019. He has extensive experience with investee businesses, both in providing advice and in direct management roles, especially bringing management expertise to early-stage businesses. Sandy has been a Director of numerous public and private companies.

##### **Mr Ken Fleming - Non-Executive Director**

Ken Fleming has extensive experience in capital markets and has held senior roles at Deutsche Bank, James Capel Australia and Tricom. He has also worked in the Australian public service and at KPMG. He is a Director of Shellfish Culture (oyster spat and oyster farming business), Castray Capital, TasmaNet (ICT company) and non-executive director of PFT. He holds an honours degree in economics and post graduate qualifications in economics and finance and is also a Fellow of the Financial Services Institute of Australasia (FFIN).

#### **PRO-FORMA CAPITAL STRUCTURE**

The pro-forma capital structure of the Company assuming completion of the Share Cancellation, Consolidation, Transaction and the Public Offer (assuming minimum subscription) is set out below:

|  | Shares    | Options   |
|--|-----------|-----------|
| Existing Shares and Options (following completion of the Share Cancellation) | 4,417,285 | 3,500,000 |

|  | Shares            | Options           |
|--|-------------------|-------------------|
| New Shares and Options to be issued to PFT Vendors under the Transaction | 23,500,000        | 6,000,000         |
| Shares to be issued on conversion of Convertible Loans                   | 2,500,000         | -                 |
| Shares and Options to be issued to Lead Manager                          | 1,582,715         | 500,000           |
| Public Offer Shares  | 15,000,000        |                   |
| Incentive Options to be issued to Proposed Directors <sup>1</sup>        |                   | 2,800,000         |
| <b>Total</b>   | <b>47,000,000</b> | <b>12,800,000</b> |

**Note:**

1) The Company is proposing to issue options (with an exercise price of \$0.40 and expiry of 3 years from the date of re-admission of the Company to the ASX) (**Incentive Options**) as follows:

- (a) up to 500,000 Incentive Options to Malcolm McAully (or his nominees);
- (b) up to 500,000 Incentive Options to Sandy Beard (or his nominees);
- (c) up to 1,300,000 Incentive Options to Michael Cooper (or his nominees); and
- (d) up to 500,000 Incentive Options to Ken Fleming (or his nominees).

The exercise of the Incentive Options are subject to satisfaction of the following vesting conditions:

- (a) 50% of the Options will vest upon the volume weighted average price of the Company's Shares on ASX over a period of 30 trading days (**30-Day VWAP**) equaling or exceeding \$0.50; and
- (b) The remaining 50% of Options to be issued will vest upon the 30-Day VWAP equaling or exceeding \$0.70.

**PRO-FORMA BALANCE SHEET AND LIKELY EFFECT ON REVENUE, PROFIT AND EXPENDITURE**

An unaudited indicative pro forma statement of financial position of the Company which details the likely effect of the Transaction and the Public Offer on the Company is included as Schedule 1 to this announcement.

The Company is currently dormant, and its main undertaking on completion of the Transaction will be to operate PFT and its businesses. The operating performance of PFT is detailed earlier in this announcement.

**EFFECT ON CONTROL**

No person will acquire control of, or voting power of 20% or more in, the Company as a result of the Transaction.

**TIMETABLE**

The anticipated timetable to completion of the Transaction is as follows:

| Event   | Indicative Timing            |
|---|------------------------------|
| Despatch of Notice of Meeting to Shareholders   | 30 December 2019             |
| Shareholder Meeting<br>Meeting of holders of Advisor Shares to vote in favour of the cancellation of the Advisor Shares<br>ASX notified whether Shareholders' approval has been granted for the Resolutions | 30 January 2020              |
| Lodgement of Prospectus   | On or before 31 January 2020 |
| Prospectus offers anticipated to open   | On or before 7 February 2020 |
| Prospectus offers close   | 6 March 2020                 |

| Event  | Indicative Timing |
|--|-------------------|
| Completion of the Share Sale Agreement   | 16 March 2020     |
| Issue date   | 16 March 2020     |
| Reinstatement of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and subject to ASX agreeing to reinstate the Shares to quotation) | 18 March 2020     |

**Note:** The dates in this timetable are indicative only and subject to change. The Company further notes that the cancellation of Advisor Shares and Consolidation are conditional on the Company proceeding to completion of the Transaction. Timetables for both of those events (in accordance with the Listing Rules and Corporations Act) will be provided once that condition has been satisfied.

#### OTHER MATTERS

The following matters are noted in accordance with ASX Guidance Note 12:

- the Company has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses and prospects of PFT and is satisfied that the Transaction is in the interests of the Company and its shareholders;
- ASX takes no responsibility for the contents of this announcement; and
- the Company is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

This announcement has been approved by the Board of Directors of the Company.

For corporate matters, please contact Nicholas Young on +61 (0) 8 9486 7244.

## Schedule 1 - Unaudited pro forma balance sheet

|                                      | Bunji Corporation Limited Unaudited Balance Sheet at 30 June 2019 | Pure Foods Tasmania Audited Balance Sheet at 30 June 2019 | Capital raise issue of convertible loan (1) | Pure Foods Tasmania RTO Transaction (3) | Conversion of convertible loan (4) | Adjustment to Pure Foods Limited cash balance subsequent to 30 June 2019 (5) | Issue of 500,000 options to advisors, exercisable at \$0.30 and expiring 3 years from issue date | Capital raise issue of 15,000,000 shares at \$0.20 (net of cost) (2) | Unaudited Proforma on completion of transaction |
|--------------------------------------|---|---|---|---|------------------------------------|--|--|--|---|
|                                      | AUD   | AUD   | AUD   | AUD                                     | AUD                                | AUD  | AUD  | AUD  | AUD   |
| <b>Current Assets</b>                |   |   |   |   |                                    |  |  |  |   |
| Cash and cash equivalents            | 98,058  | 1,388,806   | 500,000                                     | -                                       | -                                  | (638,806)  |  | 2,262,091  | 3,610,149                                       |
| Trade and other receivables          | 11,578  | 424,208   | -   | -                                       | -                                  | -  |  | -  | 435,786   |
| Inventory                            | -   | 181,135   | -   | -                                       | -                                  | -  |  | -  | 181,135   |
| Other current assets                 | -   | 63,324  | -   | -                                       | -                                  | -  |  | -  | 63,324  |
| <b>Total Current Assets</b>          | <b>109,636</b>  | <b>2,057,473</b>  | <b>500,000</b>                              | <b>-</b>                                | <b>-</b>                           | <b>(638,806)</b>   |  | <b>2,262,091</b>   | <b>4,290,394</b>                                |
| <b>Non-Current Assets</b>            |   |   |   |   |                                    |  |  |  |   |
| Property, plant and equipment        | -   | 556,436   | -   | -                                       | -                                  | -  |  | -  | 556,436   |
| Intangible assets                    | -   | 1,116,402   | -   | -                                       | -                                  | -  |  | -  | 1,116,402                                       |
| Other non-current assets             | -   | -   | -   | -                                       | -                                  | -  |  | -  | -   |
| <b>Total Non-Current Assets</b>      | <b>-</b>  | <b>1,672,838</b>  | <b>-</b>                                    | <b>-</b>                                | <b>-</b>                           | <b>-</b>   |  | <b>-</b>   | <b>1,672,838</b>                                |
| <b>TOTAL ASSETS</b>                  | <b>109,636</b>  | <b>3,730,311</b>  | <b>500,000</b>                              | <b>-</b>                                | <b>-</b>                           | <b>(638,806)</b>   |  | <b>2,262,091</b>   | <b>5,963,232</b>                                |
| <b>Current Liabilities</b>           |   |   |   |   |                                    |  |  |  |   |
| Trade and other payables             | 71,707  | 397,792   | -   | -                                       | -                                  | -  |  | (71,707)   | 397,792   |
| Provisions                           | -   | 97,780  | -   | -                                       | -                                  | -  |  | -  | 97,780  |
| Borrowings                           | -   | 47,496  | -   | -                                       | -                                  | -  |  | -  | 47,496  |
| <b>Total Current Liabilities</b>     | <b>71,707</b>   | <b>543,068</b>  | <b>-</b>                                    | <b>-</b>                                | <b>-</b>                           | <b>-</b>   |  | <b>(71,707)</b>  | <b>543,068</b>                                  |
| <b>Non-Current Liabilities</b>       |   |   |   |   |                                    |  |  |  |   |
| Borrowings                           | -   | 147,903   | 500,000                                     | -                                       | (500,000)                          | -  |  | -  | 147,903   |
| Provisions                           | -   | 5,448   | -   | -                                       | -                                  | -  |  | -  | 5,448   |
| <b>Total non-current liabilities</b> | <b>-</b>  | <b>153,351</b>  | <b>500,000</b>                              | <b>-</b>                                | <b>(500,000)</b>                   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>153,351</b>                                  |



Bunji Corporation Limited ACN 112 682 158

|                          |               |                  |          |               |                |                  |                  |                  |
|--------------------------|---------------|------------------|----------|---------------|----------------|------------------|------------------|------------------|
| <b>TOTAL LIABILITIES</b> | 71,707        | 696,419          | 500,000  | -             | (500,000)      | -                | (71,707)         | 696,419          |
| <b>NET ASSETS</b>        | <b>37,929</b> | <b>3,033,892</b> | <b>-</b> | <b>-</b>      | <b>500,000</b> | <b>(638,806)</b> | <b>2,333,798</b> | <b>5,266,813</b> |
| <b>EQUITY</b>            |               |                  |          |               |                |                  |                  |                  |
| Issued capital           | 624,631,000   | 3,535,898        | -        | (622,826,679) | 500,000        | -                | 2,732,553        | 8,572,772        |
| Reserves                 | -             | -                | -        | -             | -              | -                | 53,965           | 53,965           |
| Accumulated losses       | (624,593,071) | (502,006)        | -        | 622,826,679   | -              | (638,806)        | (53,965)         | (3,359,924)      |
| <b>TOTAL EQUITY</b>      | <b>37,929</b> | <b>3,033,892</b> | <b>-</b> | <b>-</b>      | <b>500,000</b> | <b>(638,806)</b> | <b>2,333,798</b> | <b>5,266,813</b> |

**Notes**

- (1) Funds raised through the Convertible Loan Agreements.
- (2) Capital raise under the Public Offer for a minimum subscription of 15,000,000 shares at \$0.20, less costs.
- (3) Under the terms of the Transaction, BCL acquires all the issued share capital of Pure Foods Tasmania by issuing a total of 23,500,000 Shares and 6,000,000 unlisted options, to the Pure Foods Tasmania Vendors, giving the Pure Foods Tasmania Vendors a controlling interest in BCL and equating to a controlling interest in the combined entity following the Acquisition. PFT has thus been deemed the acquirer for accounting purposes as it will own approximately 72.3% (23,500,000 / 32,521,606) (on a post-Consolidation basis) of the consolidated entity (prior to the shares issued in relation to the Offer).
- (4) Issue of Shares under Convertible Loan Agreements.
- (5) Adjustment to cash balance of PFT subsequent to 30 June 2019.
- (6) Issue of 500,000 New Options to Prenzler exercisable at \$0.30 each and expiry on 8 November 2021.