



Pure Foods Tasmania Ltd
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ASX Announcement

Pure Foods Tasmania Limited (ASX: PFT)

3rd January 2024

Daly revenue grows by \$815k for H1 FY24, a 64% increase v pcg; PFT raises \$1M to fund growth.

UPDATE ON RECENT OPERATING PERFORMANCE

Pure Foods Tasmania Ltd's (ASX:PFT) ('**PFT**' or '**Company**') Daly Potato Co division recorded a 64% increase in revenue in H1 FY24 v pcg, underpinned by ever increasing demand for its Daly frozen vegetable range and equally high demand for Potato & Gravy.

Tasmanian Pate also experienced strong demand in December 23, with its revenue up 14% v pcg.

The sale of the Lauds business was completed on the 28th of December 2023, which allows PFT to fully focus on its growth brands, along with 'freeing up' additional factory space for both Daly and The Cashew Creamery.

GROWTH FUND

The Company is pleased to announce it has successfully raised \$1M from sophisticated and professional investors through the issue of \$1M unsecured Loan Notes (\$1.00 per Note), to further support material growth and automation. Key terms include:

- 1M unsecured Loan Notes issued at \$1.00 per Note.
- Maturity is 24 months, although the Company can redeem the Notes earlier if a material transaction occurs.
- Coupon is 12% per annum, paid quarterly in arrears.
- For every three Loan Notes held, the Company will issue 20 Options, exercisable at 10c per Option and each Option converts into one ordinary PFT share;
- The Options will expire 24 months from their issue date.



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- A total of 6,666,670 Options will be issued and will raise \$666,667 if all the issued Options are exercised.
- As at the date of this announcement there are 110,294,712 ordinary shares on issue and if all the Options are exercised this would represent 5.7% of all shares, then on issue; and
- The joint lead managers (**JLMs**) of the raising are Castray Capital Pty Ltd and Prenzler Group Pty Ltd. The JLMs' fees are 4% of the gross amount raised.

BACKGROUND

The purpose of the Offer is to address production bottlenecks with new automation and working capital constraints in the wake of unprecedented demand from PFT's largest customer. Whilst the Company anticipated strong demand for its two new Daly product ranges (Potato & Gravy and frozen vegetable range), the continuing strength of those orders has led to bottlenecks in the production process which could only be addressed by running additional shifts, more than desirable.

It is clear that the Company must continue to invest in plant and equipment to improve productivity and throughput, leverage operating efficiencies, reduce costs, and provide capacity for future expansion.

Moreover, while the expectation was that the pressure would ease after Christmas, forward orders received through to Easter 2024, suggest otherwise and confirming the need to substantially increase capacity.

The Board considered several options to raise the capital needed to redress the immediate capacity constraints including a right's issue. However, the Board took the view that the current share price did not reflect the inherent value of the Company, or the current business momentum and it was not in the best interest of shareholders.

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

For further information, please contact:

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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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