



# Quarterly Activities Report for Q1 FY24

25<sup>th</sup> October 2023

(ASX:PFT)





## PERIOD HIGHLIGHTS

- Daly Potato Co. achieves record sales of \$1m in Q1 FY24
- Demand currently exceeds supply capability at Daly Potato Co.
- New national contract secured for major retail.



# \$1 MILLION IN REVENUE FOR “DALY”

- Daly Potato Co. (“Daly”) recorded sales revenue of \$399k in September 2023, up 104% on September 2022.
- Q1 FY24 saw revenue for Daly exceed LY pcp by 81% @ \$1m – a business record
- New National sales contract secured for 900 stores across Australia with private label Pate.
- PFT Group revenue up 9% v LY pcp
- Daly frozen range now in full distribution across Woolworth stores nationwide



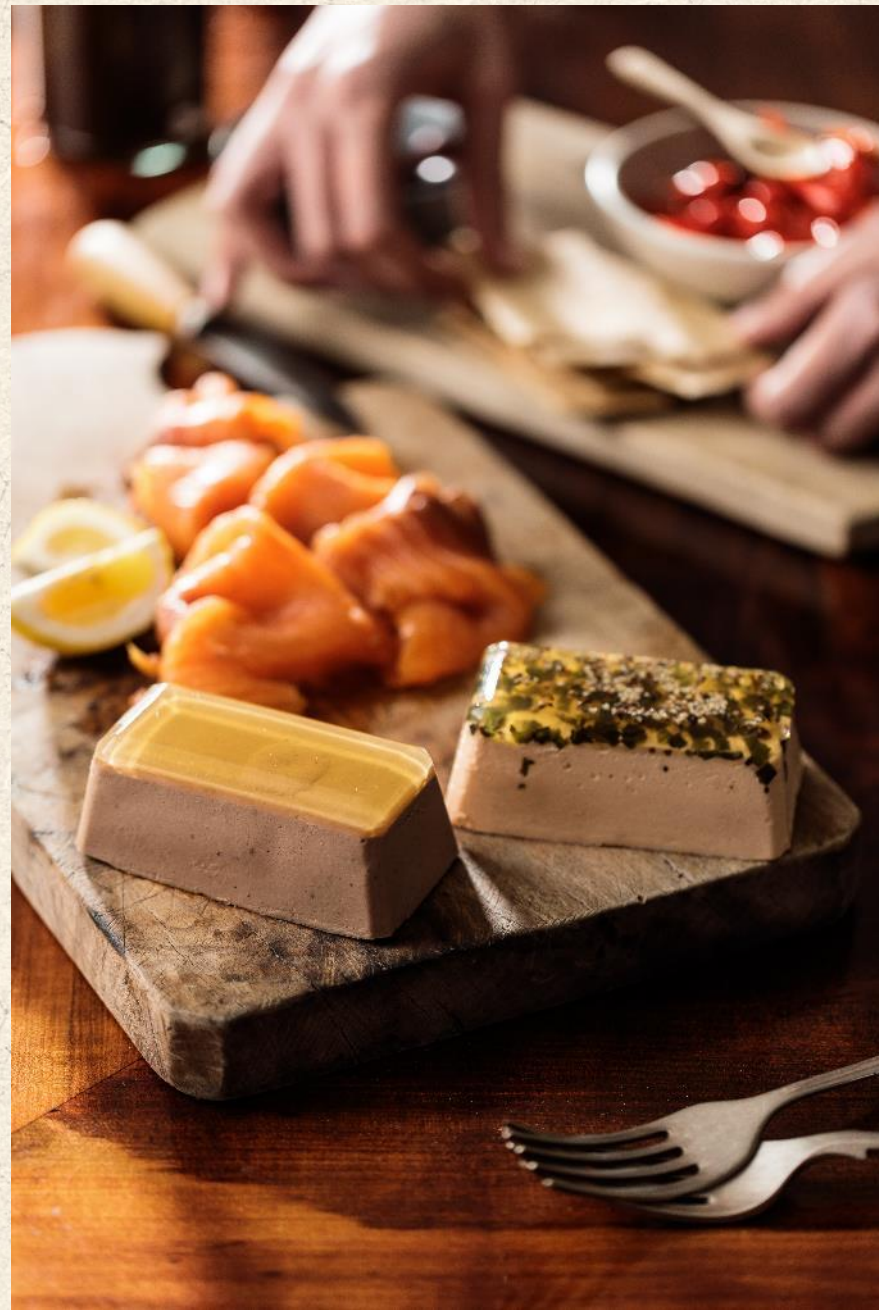




HOMESTEAD



by *Tasmanian Pâté*







# OPERATIONAL HIGHLIGHTS



Daly Frozen meal tray launches into Woolworths in August 2023

- The four varieties of our Daly Frozen meal tray range launched into Woolworths nationally from August 2023, with over 16,000 cartons supplied in this first quarter. Official ranging in store freezers commenced in September 2023.
- As previously mentioned, initial stock building of the Daly Frozen meal tray range necessitated additional shifts at our Sorell processing premises which impacted staff costs by an additional (\$0.325 million) versus last quarter (Q4 FY23).
- P&G shelf life will be extended in Q2 with a new production method, assisted with new technology imported from Finland. This will improve quality, reduce waste and support logistics.
- New private label contract will support new automation investment within Tas Pate increasing volume output between 10 - 15% and provide increase operating efficiencies





# FINANCIAL HIGHLIGHTS



- Cashflow from operations for Q1 FY24 was (\$0.670 million), compared to LY pcp of (\$0.707 million), however Q1 FY23 cashflow included a \$0.270 million R&D tax incentive return whereby Q1 FY24 excludes the prior year R&D tax incentive return of \$377k, as it is currently being processed by the ATO. We are expecting to report this return in Q2 FY24.
- An ongoing focus on improving process efficiencies and reducing product input costs was evident in Q1 FY24 with a \$0.116 million saving in product manufacturing and operating costs in Q1 FY24 (\$1.428 million) vs Q4 FY23 (\$1.544 million). This improvement was offset however with an increase in staff costs driven by the initial requirement for additional production shifts to launch the Daly Frozen meal tray range.
- Cash on hand of \$2.563 million as of 30th September 2023 continues to support the business over FY24, as we address capacity constraints and look to exploit opportunities to gain production and process efficiencies with capital investment in automation.





# MD's REPORT



## **Michael Cooper, Managing Director and CEO, highlighted:**

“We have had a number of wins over the quarter with Daly frozen launching nationally with Woolworths, the ongoing success of Potato & Gravy along with a new private label supply contract for our Pate with a major retailer.

This new private label contract has been in development for over twelve months with many different flavour and recipe trials behind it, so it was very pleasing to be awarded the business in September.

We continue to focus on our cost base, with further savings achieved across all channels of our business.

We are expecting to continue to see significant growth from Daly Potato Co and in Tasmanian Pate in Q2 FY24.

Our 1L Cashew Creamery ice cream tubs are performing well, with the introduction of two new premium flavour varieties to be launched in Q2 FY24.

A number of new supply opportunities are also presenting for our Woodbridge Smokehouse division, which should provide a positive impact leading into the busy Christmas period.

We see a strong Q2 for our business.”



# 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.

[purefoodstas.com](http://purefoodstas.com)





Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the Company') provides its Quarterly Activities Report and Appendix 4C for the quarter ended 30<sup>th</sup> September 2023.

Unless otherwise stated all financial results are unaudited.

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

For further information, please contact:



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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")**

 30<sup>th</sup> September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,190	2,190
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,428)	(1,428)
(c) advertising and marketing	(11)	(11)
(d) leased assets	(30)	(30)
(e) staff costs	(1,317)	(1,317)
(f) administration and corporate costs	(97)	(97)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(61)	(61)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (GST claims, insurance claim)	80	80
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(670)</b>	<b>(670)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	(47)	(47)
(b) businesses		
(c) property, plant and equipment	(55)	(55)
(d) investments		
(e) intellectual property		
(f) other non-current assets	1	1



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	9	9
	(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	<b>Net cash from / (used in) investing activities</b>	<b>(92)</b>	<b>(92)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds / (repayment) 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		
3.6	Repayment of borrowings	(74)	(74)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principal component of lease payments & interest on convertible note)	(72)	(72)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(146)</b>	<b>(146)</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 period	3,471	3,471
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(670)	(670)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(92)	(92)



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)	(146)	(146)
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,563</b>	<b>2,563</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	63	971
5.2	Call deposits	2,500	2,500
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>2,563</b>	<b>3,471</b>

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	26
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: The amounts paid above includes Board Fees of \$21,500 and \$4,167 in payments to the Fleming Family Trust as a retainer for director Ken Fleming's services.</i>		



<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	3,859	3,859
7.2	Credit standby arrangements	500	0
7.3	Other (please specify – credit card)	25	2
7.4	<b>Total financing facilities</b>	<b>4,384</b>	<b>3,861</b>
7.5	<b>Unused financing facilities available at quarter end</b>		523
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.		

Lender	Interest Rate	Maturity Date	Item	Secured or Unsecured	Amount Drawn \$A'000
NAB - equipment finance	3.13%	Sep-24	Refrigerated Van	Secured	7
CBA - equipment finance	2.72%	Dec-24	General equipment	Secured	364
CBA - equipment finance	2.92%	Mar-25	TasPate Equipment	Secured	79
CBA - equipment finance	2.92%	Apr-25	VW Amarok	Secured	29
CBA - equipment finance	2.92%	Apr-25	WB Equipment	Secured	29
CBA - equipment finance	2.92%	Apr-25	Daly Equipment	Secured	122
CBA - equipment finance	2.49%	Jun-25	Toyota Rav 4	Secured	17
CBA - equipment finance	3.49%	Aug-26	Shipping Container	Secured	209
CBA - equipment finance	2.92%	Jun-25	Crown Forklift	Secured	9
CBA - equipment finance	2.92%	Jun-25	Nissan X-Trail	Secured	9
CBA - equipment finance	2.92%	Jun-25	Thermosealing Machine	Secured	48
CBA - equipment finance	8.64%	Dec-24	TCC Equipment	Secured	438
CBA - market rate loan	BBSY + 2.8806%	Nov-23	Market Rate Loan	Secured	2,500
<b>TOTAL</b>					<b>3,859</b>

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(670)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,563
8.3	Unused finance facilities available at quarter end (item 7.5)	523
8.4	Total available funding (item 8.2 + item 8.3)	3,086
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	4.6 quarters
<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

*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 October 2023.....

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.