



Pure Foods Tasmania Ltd
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ASX Announcement

Pure Foods Tasmania Limited (ASX: PFT)

21 July 2021

Revenue momentum continues with 98% growth Q4 FY21 vs PCP

Quarterly Activities Report and Appendix 4C

Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the Company') provides its Quarterly Activities Report and Appendix 4C for the June 2021 Quarter. Unless otherwise stated all financial results are unaudited.

FINANCIAL HIGHLIGHTS

- Q4 FY21 sales revenue of \$1.89 million, up 98% vs Q4 FY20
- FY21 sales revenue of \$8.2 million up 70% vs FY20
- All divisions delivered revenue growth
- Strong growth in e-commerce sales, up 332% vs FY20
- Net cash of \$1.621 million as 30 June 2021 with a further \$1.235 million in undrawn debt facilities

OPERATIONAL HIGHLIGHTS

- Woodbridge Smokehouse (**WBSH**) secured a sole supplier agreement with Monde Nissin Australia for the supply of salmon and trout products which will increase Group revenues by c.15% in FY22 (vs FY21 levels)
- Agreement with Tas'Mania Fresh to expand the distribution of WBSH into six major retail chains in Hong Kong generating our largest order to date of 40,000 units of 100g Atlantic salmon and ocean trout.
- Continued the Company's move into the fast-growing plant-based food market with volume and distribution growth of The Cashew Creamery and Lauds Plant-Based Foods products
- Daly Potato Company continues to increase distribution with new premium Coleslaw and Potato & Gravy selling well in independents with major retail offer ready to launch.
- Distribution network increased 207% with 1350 new domestic partners added during the period with increasing online and e-commerce presence in Asia & Australia
- The Company will continue to execute on its strategy of organically growing our core portfolio and delivering upside via targeted value accretive acquisitions.

PFT Managing Director and CEO, Michael Cooper said: “The June quarter was another strong period of growth for the Company. Since listing in April 2020, we have delivered 4 continuous quarters of revenue growth, increasing our quarterly revenue level by 98%. The continued growth of our business is not only a fantastic testament to our team but a reflection on the quality of, and consumer demand, for our products.

“We continue to organically grow our core business via new product ranges, distribution channels and the success and growth of our e-commerce platform. The new distribution channels we launched during the quarter with Monde Nissin and Tas’Mania Fresh reflect the strong demand for our Woodbridge Smokehouse product and provide a significant avenue of growth for FY22 and beyond.

“We have executed on three acquisitions which have strategically complemented our business and fast tracked our scale and growth in the emerging plant-based food market. The acquisitions have been seamlessly integrated into our business with the management teams and founders of those acquired businesses remaining crucial components to our future success. We will continue to target complimentary and value adding acquisitions to continue to drive our growth and position the Company as a local leader in the rapidly growing plant-based food sector.

“The Company remains well positioned to continue to grow the business via product innovation and acquisition and continues to build a strong culture across our business.”

FINANCIAL REVIEW

The Company delivered \$1.89 million in sales for Q4 FY21, a 98% increase on the previous corresponding period.

A\$000's	4Q FY21	4Q FY20	Change
Total Revenue	\$1,890	\$1,521	25%
Woodbridge Smokehouse	\$462	\$257	79%
Lauds Plant-Based Foods	\$112	\$60	52%
The Cashew Creamery	\$29	\$21	38%
Tasmanian Pate	\$802	\$701	14%
Daly Potato Company	\$485	\$482	0%

Operating cashflow was (\$572k) as the company continued to invest in plant & equipment along with (\$215k) in new product development. Cash and cash equivalents at the end of the period was \$1.621 million.

OPERATIONAL REVIEW

The Company is well-positioned with established export agreements, strong presence through a number of PFT's brands in all major Australian retailers, a strong distribution network in smaller and boutique stores and our domestic e-commerce site, shop.purefoodtas.com.

Woodbridge Smokehouse: Delivered a very strong Q4 with an increase of 79% in sales over Q4 FY20 driven by new distribution channels within Australia and Asia. The agreement announced during the quarter with Monde Nissin

Australia is forecast to elevate sales of WBSH by 50% in FY22 versus levels seen in FY21. The agreement with Tas'Mania Fresh to expand the distribution of its Woodbridge Smokehouse Tasmanian Atlantic salmon and ocean trout products into six major retail chains in Hong Kong is forecast to deliver an additional 200,000 units of Atlantic salmon sales in H1 FY22.

Daly Potato Co: Sales were \$485k with new premium coleslaw ranged into Woolworths stores. Positive results for Potato & Gravy trials will allow ranging in major retail, and this is no doubt the biggest opportunity for Daly in FY22. Strong marketing focus with mass consumer campaigns in Q4.

Tasmanian Pate: Sales up 14 % vs previous corresponding period (PCP) driven by strong sales of "Homestead" premium range which launched in October 2020. New variant of Homestead to be ranged into 850 Woolworths stores nationally in Q1 FY22.

Lauds Plant-Based Foods: Sales grew 52 % vs PCP with continued growth in distribution. New sliced product and cream cheese range to be rolled out in Q1 FY22.

The Cashew Creamery: Sales grew 38% vs PCP. Launched take home multi packs to broaden retail opportunities which will continue to open new distribution points. Tasmanian route sales team grew stockists by 167% in Q4 FY21.

CORPORATE AND USE OF FUNDS STATEMENT

As detailed in the attached ASX Appendix 4C, the Company had \$1,621 million in cash and cash equivalents as at 30 June 2021.

Payments of \$37k were made to related parties and their associates during the quarter, being the payment of Director's Fees as noted in Section 6 of Appendix 4C.

PFT has expended a total of \$2,678 million on its business activities during the quarter end 30 June 2021 which is comprised of approx \$1.407m for product manufacturing and operating costs; \$934k for staffing costs; \$204k for administration and corporate costs and \$130k for advertising and marketing (see section 1.2 of Appendix 4C).

Pursuant to Listing Rule 4.7C2, the Company confirms that in the 14 months since listing on the ASX it has incurred expenditure largely in line with the Use of Proceeds as set out in the Prospectus – see below:

Use of Funds	Amount raised under the Offer	Expenditure to 30 June 2021	Variance
Plant & Equipment	\$1,100,000	\$2,009,988	(\$909,988)
Business Development & Marketing	\$700,000	\$488,159	\$211,841
New Product Development	\$350,000	\$265,009	\$84,991
Working Capital	\$1,242,489	\$817,001	\$425,488
Costs of the Public Officer	\$607,511	\$917,990	(\$310,479)
Total	\$4,000,000	\$4,498,146	

- P&E:** PFT has invested in new plant & equipment for Tas Pate, WBSH and The Cashew Creamery to support growing demand; investment has exceeded our forecast as equipment purchases have been brought forward to meet our growing production requirements.
- Business development and marketing:** PFT's investment in Marketing and Brand support will continue as we support our growing brands.
- New Product Development:** NPD is also well under way with a focus on consumer driven products.



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4. **Working capital:** PFT has only drawn a relatively small amount of funds as existing business units are generating good cash flow driven by strong sales growth.
5. **Cost of public offer:** the total costs of the public offer exceeded budget by \$310,480 due to the complexity of the readmission and some delays.

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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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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

shop.purefoodstas.com

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 June 2021

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	2,029	6,924
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,407)	(4,559)
(c) advertising and marketing	(130)	(386)
(d) leased assets	(3)	(7)
(e) staff costs	(934)	(2,750)
(f) administration and corporate costs	(204)	(721)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	29
1.5 Interest and other costs of finance paid	(29)	(72)
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	11	288
1.8 Other (GST Refunded/(Paid))	92	223
1.9 Net cash from / (used in) operating activities	(572)	(1,032)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	8	(311)
(b) businesses		(646)
(c) property, plant and equipment	(598)	(1,945)
(d) investments		
(e) intellectual property	(1)	(4)
(f) other non-current assets		

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		2
	(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	Net cash from / (used in) investing activities	(591)	(2,904)

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		
3.3	Proceeds from exercise of options	163	699
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(52)
3.5	Proceeds from borrowings	656	1,758
3.6	Repayment of borrowings	(654)	(822)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principal component of lease payments)	(75)	(160)
3.10	Net cash from / (used in) financing activities	90	1,423

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,694	4,134
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(572)	(1,032)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(591)	(2,904)

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)	90	1,423
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,621	1,621

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	920	544
5.2	Call deposits	700	2,150
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)	1,621	2,694

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	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

The amount displayed above is entirely related to;

- \$6,000 - payments to the Fleming Family Trust as a retainer for director Ken Fleming's services.
- \$31,000 – Director's fees

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	2,721	1,574																																														
7.2	Credit standby arrangements																																																
7.3	Other (please specify)	100	11																																														
7.4	Total financing facilities	2,821	1,586																																														
7.5	Unused financing facilities available at quarter end		1,235																																														
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"> <thead> <tr> <th>Lender</th> <th>Interest Rate</th> <th>Maturity Date</th> <th>Secured or Unsecured</th> <th>Amount Drawn \$A'000</th> </tr> </thead> <tbody> <tr> <td>NAB</td> <td>3.36%</td> <td>September 2021</td> <td>Secured</td> <td>21</td> </tr> <tr> <td>CBA</td> <td>2.72%</td> <td>December 2024</td> <td>Secured</td> <td>612</td> </tr> <tr> <td>CBA</td> <td>2.92%</td> <td>March 2025</td> <td>Secured</td> <td>108</td> </tr> <tr> <td>CBA</td> <td>2.92%</td> <td>April 2025</td> <td>Secured</td> <td>47</td> </tr> <tr> <td>CBA</td> <td>2.92%</td> <td>April 2025</td> <td>Secured</td> <td>68</td> </tr> <tr> <td>CBA</td> <td>2.92%</td> <td>April 2025</td> <td>Secured</td> <td>199</td> </tr> <tr> <td>CBA</td> <td>2.49%</td> <td>June 2025</td> <td>Secured</td> <td>30</td> </tr> <tr> <td>CBA</td> <td>2.92%</td> <td>July 2025</td> <td>Secured</td> <td>489</td> </tr> </tbody> </table>				Lender	Interest Rate	Maturity Date	Secured or Unsecured	Amount Drawn \$A'000	NAB	3.36%	September 2021	Secured	21	CBA	2.72%	December 2024	Secured	612	CBA	2.92%	March 2025	Secured	108	CBA	2.92%	April 2025	Secured	47	CBA	2.92%	April 2025	Secured	68	CBA	2.92%	April 2025	Secured	199	CBA	2.49%	June 2025	Secured	30	CBA	2.92%	July 2025	Secured	489
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	The items included as other facilities are NAB Business Visa accounts & Commonwealth Bank Credit Cards.																																																

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(572)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,621
8.3	Unused finance facilities available at quarter end (item 7.5)	1,235
8.4	Total available funding (item 8.2 + item 8.3)	2,856
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
	<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: 21 July 2021

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.