



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)

28th January 2021

Pure Foods Tasmania Limited
Quarterly Activities Report for the quarter
ended 31 December 2020

Pure Foods Tasmania Limited (“**Pure Foods Tasmania**”, the “**Group**”) is pleased to provide shareholders and investors its Activities Report and Appendix 4C for the period ending 31 December 2020. Unless otherwise stated all financial results are unaudited.

HIGHLIGHTS

- **Group achieves 39% sales growth** in H1 FY21 over H1 FY20
- Group delivered a **positive EBITDA of \$160,453** in H1 FY21
- All three trading entities returning **positive EBITDA** in H1 FY21 over H1 FY20
- **Woodbridge Smokehouse sales grow by 59%** in H1 FY21 over H1 FY20
- **Daly Potato Co. sales grow by 11%** in H1 FY21 over H1 FY20
- **Tasmanian Pate sales grow by 10%** in H1 FY21 over H1 FY20
- **E-commerce sales grow by 305%** in H1 FY21 over H1 FY20
- Group is well funded with a cash position of **\$3.881m in cash and undrawn finance facilities**

Pure Foods Tasmania is very pleased to announce record sales for H1 FY21 with group growth of 39% in H1 FY21 over H1 FY20. The acquisition of the Daly Potato Co business contributed 6% of this growth.



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All three entities have achieved strong sales growth in H1 FY21 over H1 FY20 with e-commerce sales being a standout with 305% growth. Export sales with Woodbridge Smokehouse has also been very strong with high demand into Asia for retail and e-commerce customers. On the back of record H1 FY21 the Group remains well funded to support its continual growth.

WOODBIDGE SMOKEHOUSE

Record sales achieved a 59% growth in H1 FY21 over H1 FY20 for Woodbridge Smokehouse (**WBSH**), along with a positive EBITDA of \$147,229. WBSH had growth in all sales channels covering retail, local route, e-commerce, and export.

Growth was achieved through:

- An expansion of the Tasmanian route sales team.
- The introduction of WBSH into South Australia through Monde Nissin Australia (MNA).
- Securement of The Meat Club and RedMart; and
- The execution of the e-commerce strategy (see below) and expansion of the online store.

As recently announced, an extended distribution with MNA will see WBSH products available Nationally under MNA's portfolio of products to service the independent market. MNA will extend the distribution of WBSH products into Victoria, New South Wales, ACT & Western Australia, with product hitting the shelves early February. MNA's National presence will see WBSH available to a further 1,400 independent stores.

DALY POTATO CO.

Daly Potato Co. (**DPC**) also achieved record sales growth of 11% for H1 FY21 over H1 FY20, and a strong positive EBITDA for FY21 over FY20 with an improvement of \$160,799.

An increase in distribution through the local route market has been a big driver in this growth, with very high acceptance from new consumers. DPC is also now available on our online store opening another sales channel Australia wide which has been supported well with Bacon & Cheese Potato Bake being the fifth highest selling product.



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Since the acquisition of DPC by PFT in October 2020, there has been much investment made into the production facilities and product ranges to help strengthen sales in H2 FY21 and leading into FY22.

TASMANIAN PATE

Tasmanian Pate continues to perform solidly with 10% sales growth H1 FY21 over H1 FY20, and an increase in EBITDA of 27% growth. This has been driven by the very successful launch of the sub-range, Homestead Pate which launched into 850 Woolworth stores in October FY21. The remaining products in Tasmanian Pate's range have also continued to grow as a result of the market seeing an increase in the overall entertaining category.

E-COMMERCE

In August we executed a new e-commerce strategy with the objective of exponentially growing this sales channel. The success of this strategy has resulted in a 305% increase in sales in just the first half of FY21, with a particular standout in November which saw a record of 198 orders received. This has set the online store in a strong position for further exponential growth leading into H2 FY21.

PFT MANAGING DIRECTOR, MICHAEL COOPER COMMENTS

"There has been a lot of really good progress as we deliver on our strategy. We are very excited about our H1 FY21 results, with all three businesses trading very well. The recent opportunity with Monde Nissin is a great opportunity to get our products to more consumers across the FMCG Australian network.

"We are also continuing to build our capability to support our growth along with our mandate to grow organically and by acquisition. The Group is well funded with a strong balance sheet to support our growth opportunities".

PFT USE OF FUNDS STATEMENT

Use of funds	Amount raised under the Offer	Expenditure to 31 Dec 2020	Variance
Plant & Equipment	\$1,100,000	\$805,050	\$294,950
Business Development & Marketing	\$700,000	\$198,906	\$501,094
New Product Development	\$350,000	\$32,018	\$317,982
Working Capital	\$1,242,489	\$178,052	\$1,064,437
Costs of the Public Offer	\$607,511	\$917,990	(\$310,479)
Total	\$4,000,000	\$2,132,016	

1. **P&E:** PFT has invested in a new Plant & Equipment for Tas Pate & WBSH to support growing demand, investment will continue in P&E across all business entities in the balance of FY21.
2. **Business development and marketing:** PFT's investment in Marketing and Brand support will continue as we support our growing brands.
3. **New Product Development:** NPD is also well under way with a focus on consumer driven products.
4. **Working capital:** PFT has only drawn minimal funds in the first H1 FY21 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.

As with any budget, the allocation of funds may change depending on several factors including the risk factors outlined in Section 4 of the Prospectus, and the outcome of operational and growth activities, regulatory developments and market and general economic conditions.

In summary, PFT has expended a total of \$1,994,000 on its business activities during the quarter ended 31 December 2020.

As set out in the Appendix 4C, the following amounts have been made to related parties/associates of PFT:



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- \$4,000 - payment to the Fleming Family Trust as a retainer for director Ken Fleming's corporate advisory services; and
- \$31,000 - as Director's fees.

[Ends]

All FY21 financial information contained in this announcement is subject to finalization of external auditor's half year review and may be subject to change.

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

For investor, media or other enquiries please contact:

Michael Cooper

Managing Director - Pure Foods Tasmania

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+61 419 124433

About Pure Foods Tasmania (PFT)

Pure Foods Tasmania Pty Ltd (PFT) was 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 three businesses and organically established two brands:

- [Tasmanian Pate](#) - Australia's largest volume pate producer, distributed nationally through large retailers and independents since 1996.
- [Woodbridge Smokehouse](#) - traditionally hand smoked Atlantic salmon and ocean trout, from southern Tasmania available in a growing number of quality grocers in Tasmania and around Australia, and in Asia through substantial export channels.



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- [Daly Potato Co.](#) - farm fresh convenience meals and salads made from potatoes grown on the Daly family farm, currently distributed throughout Tasmania and limitedly in other Australia states.
- [New Pastures](#) - plant-based solutions with taste as the priority, made in Tasmania by Tasmanians, available through PFT's online store and growing distribution throughout Australia.
- [Pure Tasmanian Seafood](#) - bringing premium Tasmanian seafood to Australia and the world through innovative product offerings and customer channels.

The Company listed on the ASX on 30 April 2020.



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")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,700	2,689
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,207)	(1,783)
(c) advertising and marketing	(95)	(149)
(d) leased assets		(1)
(e) staff costs	(575)	(979)
(f) administration and corporate costs	(117)	(274)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	20
1.5 Interest and other costs of finance paid	(12)	(22)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	59	277
1.8 Other (GST Refunded/(Paid))	36	61
1.9 Net cash from / (used in) operating activities	(204)	(161)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	(627)	(627)
(c) property, plant and equipment	(532)	(740)
(d) investments		
(e) intellectual property		(3)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(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	(1,158)	(1,370)

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	536	536
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(32)	(32)
3.5	Proceeds from borrowings	782	782
3.6	Repayment of borrowings	(63)	(63)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (principal component of lease payments)	(37)	(75)
3.10	Net cash from / (used in) financing activities	1,185	1,148

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,928	4,134
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(204)	(161)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,158)	(1,370)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,185	1,148
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,751	3,751

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	1,401	1,578
5.2	Call deposits	2,350	2,350
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)	3,751	3,928

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	35
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;

- \$4,000 - payments to the Fleming Family Trust as a retainer for director Ken Fleming's services.
- \$31,000 – Director's fees

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	1,337	1,228																												
7.2	Credit standby arrangements																														
7.3	Other (please specify)	25	4																												
7.4	Total financing facilities	1,362	1,232																												
7.5	Unused financing facilities available at quarter end		130																												
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="width: 25%;">Lender</th> <th style="width: 25%;">Interest Rate</th> <th style="width: 25%;">Maturity Date</th> <th style="width: 25%;">Secured or Unsecured</th> </tr> </thead> <tbody> <tr> <td>NAB</td> <td>4.43%</td> <td>May 2024</td> <td>Secured</td> </tr> <tr> <td>NAB</td> <td>3.36%</td> <td>September 2021</td> <td>Secured</td> </tr> <tr> <td>NAB</td> <td>5.04%</td> <td>December 2022</td> <td>Secured</td> </tr> <tr> <td>NAB</td> <td>5.62%</td> <td>July 2023</td> <td>Secured</td> </tr> <tr> <td>NAB</td> <td>5.37%</td> <td>July 2023</td> <td>Secured</td> </tr> <tr> <td>CBA</td> <td>2.72%</td> <td>December 2024</td> <td>Secured</td> </tr> </tbody> </table>			Lender	Interest Rate	Maturity Date	Secured or Unsecured	NAB	4.43%	May 2024	Secured	NAB	3.36%	September 2021	Secured	NAB	5.04%	December 2022	Secured	NAB	5.62%	July 2023	Secured	NAB	5.37%	July 2023	Secured	CBA	2.72%	December 2024	Secured
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	The items included as other facilities are NAB Business Visa accounts.																														

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(204)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,751
8.3	Unused finance facilities available at quarter end (item 7.5)	130
8.4	Total available funding (item 8.2 + item 8.3)	3,881
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	19
	<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: 27 January 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.