



ASX Announcement

Operational Update and Q3 FY25 Activities Report and Appendix 4C

Pure Foods Tasmania Limited (ASX: PFT)

30 April 2025

Pure Foods Tasmania Ltd (ASX:PFT) ('PFT' or 'the **Company**') is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ending 31 March 2025. Unless otherwise stated all financial results are unaudited.

During the quarter, the Company undertook a series of operational and financial initiatives that have delivered significant improvements, including meaningful cost reductions and debt restructuring.

Operating and Financial Review

Overview

The Company remains focused on executing its turnaround strategy, which comprises:

- Reduction of operational overheads and workforce realignment;
- Divestment of non-core plant and equipment;
- Reduction and renegotiation of debt facilities with Commonwealth Bank of Australia (**CBA**);
- Strategic assessment of all business units to determine future investment or divestment; and
- Active evaluation of M&A and partnership opportunities to support growth and diversification.

These initiatives have delivered a material improvement in financial performance. In Q3 FY25, cash EBITDA was a relatively modest outflow of **\$51,000**, compared to an outflow of **\$1.24 million** in the prior corresponding period. The Company remains on track to achieve a monthly cashflow breakeven.

Operational highlights in the Quarter

- Outsourcing of sales and marketing has begun delivering results, with March 2025 orders exceeding those of March 2024 and strong momentum continuing into April;
- Outsourcing model expanded over other disciplines across the business including; marketing, product quality measurement and enhancement, accounting support and maintenance
- Continued to supply major customers "in time and in full" over the quarter
- Incidents of machinery break down reduced from 72 to 46 for Q324 to Q325 representing a 36% reduction
- The Company came out of share trading suspension by ASX on 14 February 2025

Financial highlights in the Quarter

Costs of Sales and Operating Expenses for the Q325 have been reduced compared to the same time last year.

% of Income	Q324	Q325
Cost of Sales	100%	76%
Operating Expenses	51%	49%
Gross Profit	0%	24%
Net Profit	-50%	-13%

Strategic Overview: From Recovery to Resilience

The Company has always maintained it needed scale to achieve its ambitious agenda and to advance shareholder value. It however lost its way in the wake of events that were at times beyond its control and included the combination (and culmination) of material shortages and delays, cost inflationary pressures, higher interest rates, labour shortages, wage costs escalation and a downturn in discretionary spending. These events and circumstances were not isolated to PFT and the number of small food-based businesses have similarly struggled as evidenced by significant reduction in the share price of listed small food businesses.

By mid-2024, it became clear to the Board that a strategic reset was necessary. Rather than continuing to pursue aggressive growth amid unstable conditions, the Company pivoted to a more focused strategy centred on sustainability, operational discipline and profitability. This required difficult but deliberate changes, including cost restructuring, operational realignment and targeted investment.

To support this transition, PFT secured \$1.5 million in short-term funding from a mezzanine lender and a group of existing shareholders in early 2024. The Company also held existing borrowings with the CBA, primarily in the form of equipment finance.

PFT is pleased to report substantial progress on this front: the high-interest mezzanine loan has been fully repaid, and the Company is in the advanced stages of renegotiating remaining facilities. These improvements form a critical part of restoring financial health and positioning the Company for long-term success.

Capital management

PFT has implemented several capital management initiatives aimed at reducing debt and improving liquidity:

- Full repayment of the \$500,000 high-interest mezzanine loan;
- Restructuring of existing debt with CBA to reduce servicing costs and improve repayment terms;
- Extension of the \$1.5 million Market Rate Loan to 30 June 2026;
- Conversion of a temporary \$1.6 million facility into a Better Business Loan, also maturing 30 June 2026;
- Extension of \$645,000 in equipment finance balloon payments to 30 June 2026;

These measures have significantly strengthened the Company's balance sheet and improved cash flow flexibility.

Corporate initiatives

The Company continues to review and consider acquisition and merger opportunities.

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This announcement has been authorised and approved by the Board of PFT on 30 April 2025.

For further information, please contact:

Corporate

Malcolm McAully
Executive Chair
0362294546

Appendix 4C

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

Name of entity

Pure Foods Tasmania Limited

ABN

13 112 682 158

Quarter ended ("current quarter")

March 2025

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	1,333	4,677
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(790)	(3,142)
(c) advertising and marketing	(5)	(19)
(d) leased assets	(6)	(23)
(e) staff costs	(390)	(2,377)
(f) administration and corporate costs	(19)	(151)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	187
1.5 Interest and other costs of finance paid	(134)	(379)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	(40)	(59)
1.9 Net cash from / (used in) operating activities	(51)	(1,286)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(8)	90
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	1	(10)
2.6	Net cash from / (used in) investing activities	(7)	80

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings (PP adj \$25K)	0	175
3.6	Repayment of borrowings	(72)	(1,043)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (shareholder loans)	17	424
3.10	Net cash from / (used in) financing activities	(55)	(444)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(460)	1,076
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(51)	(1,286)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	80

For personal use only

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

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)	(55)	(444)
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	(573)	(574)

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	(411)	(355)
5.2	Call deposits	1,500	1,500
5.3	Bank overdrafts (converted to loan)	(1,662)	(1,076)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(573)	(70)

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 – directors fees + reimbursements	6.3
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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.</i> <i>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 + credit card	6,385	5,141																																																																																																																		
7.2	Credit standby arrangements (Stream)	500	221																																																																																																																		
7.3	Other (please specify – credit card)	25	0																																																																																																																		
7.4	Total financing facilities	6,910	5,362																																																																																																																		
7.5	Unused financing facilities available at quarter end		1,548																																																																																																																		
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 colspan="6">Facilities</th> </tr> <tr> <th>Lender</th> <th>Interest Rate</th> <th>Maturity Date</th> <th>Item</th> <th>Secured or Unsecured</th> <th>Amount Drawn A\$'000</th> </tr> </thead> <tbody> <tr> <td>CBA - ABUJ001112</td> <td>2.92%</td> <td>Apr-25</td> <td>Vacuum packer</td> <td>Secured</td> <td>2</td> </tr> <tr> <td>CBA - AIJG000144</td> <td>2.92%</td> <td>Jul-25</td> <td>Fish processing equipment</td> <td>Secured</td> <td>7</td> </tr> <tr> <td>CBA - AIJG000145</td> <td>2.92%</td> <td>Jul-25</td> <td>Crown forklift</td> <td>Secured</td> <td>-</td> </tr> <tr> <td>CBA - ABUJ001112</td> <td>3.49%</td> <td>Aug-26</td> <td>Various condensing units, boilers, etc</td> <td>Secured</td> <td>135</td> </tr> <tr> <td>CBA - AIBU000407</td> <td>9.91%</td> <td>Jan-27</td> <td>Ice cream machines</td> <td>Secured</td> <td>325</td> </tr> <tr> <td>CBA - AIZW000147</td> <td>9.21%</td> <td>Nov-28</td> <td>Kettles and dosing machine</td> <td>Secured</td> <td>231</td> </tr> <tr> <td>CBA - AAUJ167792</td> <td>9.30%</td> <td>Nov-28</td> <td>Keymac packaging system</td> <td>Secured</td> <td>79</td> </tr> <tr> <td>CBA - AIBU000408</td> <td>9.91%</td> <td>Jan-27</td> <td>Financed balloons Jan 2025</td> <td>Secured</td> <td>369</td> </tr> <tr> <td>CBA - equipment finance</td> <td>BBSY + 2.8806%</td> <td>Dec-24</td> <td>Market Rate Loan</td> <td>Secured</td> <td>1,425</td> </tr> <tr> <td>Shareholder loan</td> <td>12% + options</td> <td>Dec-25</td> <td>Capital Investment Loan</td> <td>Secured</td> <td>1,000</td> </tr> <tr> <td>CBA New facility (1694)</td> <td>BBL @ 7.5%</td> <td>Dec-24</td> <td>Short term loan</td> <td>Secured</td> <td>1,570</td> </tr> <tr> <td>CBA Credit card</td> <td>Current market rate</td> <td>Ongoing</td> <td>Credit card (\$25K limit)</td> <td>Secured</td> <td>-</td> </tr> <tr> <td colspan="5">Total facilities drawn</td> <td>5,141</td> </tr> <tr> <th>Lender</th> <th>Interest Rate</th> <th>Maturity Date</th> <th>Item</th> <th>Secured or Unsecured</th> <th>Available A\$'000</th> </tr> <tr> <td>CBA Asset Purch Facility</td> <td></td> <td>Ongoing</td> <td>Facility</td> <td>Secured</td> <td>1,242</td> </tr> <tr> <td colspan="5">Total facilities available</td> <td>1,242</td> </tr> <tr> <td colspan="5">Grand Total</td> <td>6,383</td> </tr> </tbody> </table> <p>CBA Stream Facility</p> <p>The CBA Stream facility is a type of invoice financing which allows access to unpaid invoices. It is designed to help smooth fluctuations in cash flow. It allows access of up to 80% of the value of unpaid invoices. It is secured against debtor only, it does not involve property. It is monitored by the CBA and has weekly randomised audit checks (in our case, proof of delivery for larger invoices).</p> <p>Terms:</p> <p>Credit limit - \$500,000 (Woolworths max 50% of limit)</p> <p>Receivables Advance Rate – 80% (Woolworths 70%)</p> <p>Margin – 4.70%</p> <p>Line fee – 1.12%</p> <p>The approved limit is currently set to \$500K (previously \$1.2M) and was drawn to approx. \$221K at quarter end</p>				Facilities						Lender	Interest Rate	Maturity Date	Item	Secured or Unsecured	Amount Drawn A\$'000	CBA - ABUJ001112	2.92%	Apr-25	Vacuum packer	Secured	2	CBA - AIJG000144	2.92%	Jul-25	Fish processing equipment	Secured	7	CBA - AIJG000145	2.92%	Jul-25	Crown forklift	Secured	-	CBA - ABUJ001112	3.49%	Aug-26	Various condensing units, boilers, etc	Secured	135	CBA - AIBU000407	9.91%	Jan-27	Ice cream machines	Secured	325	CBA - AIZW000147	9.21%	Nov-28	Kettles and dosing machine	Secured	231	CBA - AAUJ167792	9.30%	Nov-28	Keymac packaging system	Secured	79	CBA - AIBU000408	9.91%	Jan-27	Financed balloons Jan 2025	Secured	369	CBA - equipment finance	BBSY + 2.8806%	Dec-24	Market Rate Loan	Secured	1,425	Shareholder loan	12% + options	Dec-25	Capital Investment Loan	Secured	1,000	CBA New facility (1694)	BBL @ 7.5%	Dec-24	Short term loan	Secured	1,570	CBA Credit card	Current market rate	Ongoing	Credit card (\$25K limit)	Secured	-	Total facilities drawn					5,141	Lender	Interest Rate	Maturity Date	Item	Secured or Unsecured	Available A\$'000	CBA Asset Purch Facility		Ongoing	Facility	Secured	1,242	Total facilities available					1,242	Grand Total					6,383
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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(51)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(573)
8.3	Unused finance facilities available at quarter end (item 7.5)	1,548
8.4	Total available funding (item 8.2 + item 8.3)	975
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	19.1
<p><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></p>		
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?	
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?	
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?	
<p><i>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.</i></p>		

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:30 April 2025.....

Authorised by: Executive Chair

.....
(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.