



**Pure Foods Tasmania Ltd**  
100 -104 Mornington Rd  
Mornington TAS 7018  
ASX: PFT  
+61 3 6231 4233  
www.purefoodstas.com

Pure Foods Tasmania Limited

Appendix 4D

Half Year Report

1 Company Details

Name of Entity	Pure Foods Tasmania Limited
Reporting Period	For the period ended 31 December 2022
Previous Period	For the period ended 31 December 2021

2 Results for Announcement to The Market

2.1	\$
Revenue from ordinary activities	down 21% ↓ to 4,451,620

2.2	
Loss from ordinary activities after tax attributable to PFT Limited	reduction of 26% ↓ to (783,882)

2.3	
Loss for the year attributable to the owners of PFT Limited	reduction of 26% ↓ to (783,822)

2.4  
There were no dividends paid, recommended, or declared during the current financial period

2.5  
Not applicable

2.6  
Pure Foods Limited (ASX: PFT) is pleased to announce its half year results H1 FY23. The Group's focus for the 6 months to 31 December 2022 ('1H FY23') was on margin improvement and cost control in the wake of inflationary pressures. The Group delivered a 26% improvement in net loss, reducing from \$1.05 million in 1H FY22 to a loss of \$0.78 million in 1H FY23, this was despite a 15% reduction in total revenue.

The reduction in revenue was mainly driven by a planned reduction in Woodbridge Smokehouse sales (down by 56% from \$1.72 million in 1H FY22 to \$0.75 million in 1H FY23) due to rising raw material prices, increased sales prices and disciplined focus on operating costs. Daly Potato Co. was also impacted in the first-half by wet seasonal conditions on the East Coast. This caused no supply of cabbages for an 8-week period and resulted in the Group temporarily withdrawing its Coleslaw range from major retailers and independents. Overall Daly Potato Co. sales were down 9% from \$1.40 million in 1H FY22 to \$1.28 million in 1H FY23.



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However, continued growth in Tasmanian Pate and Cashew Creamery was achieved, up 5% and 28% respectively. Tasmanian Pate continues to grow driven by the success of the Homestead brand which saw sales increase from \$2.24 million 1H FY22 to \$2.35 million 1H FY23.

The Group's brands continue to be at the forefront of the fastest growing consumer lead categories, with key themes being targeted by the Group surrounding "conscious consumer", "convenience" and "at home elevated entertaining". This will be highlighted in the second half of the financial year by the release of Potato & Gravy in a reformatted 100% recyclable packaging in Coles in Victoria and Tasmania in late February, and also continued releases of new products from Lauds plant-based foods and The Cashew Creamery.

### 3 Net Tangible Assets per Security

	Reporting Period Cents / share	Previous Period Cents / share
Net Tangible Assets per Ordinary Security	9.7	18.6

### 4 Details of Entities which Control has been Gained

4.1 Not applicable

4.2 Not applicable

4.3 Not applicable

### 5 Dividends or Distributions

Not applicable

### 6 Dividend or Distribution Reinvestment Plans

Not applicable

### 7 Details of Associates and Joint Venture Entities

Not applicable

### 8 Foreign Entities

Not applicable

### 9 Audit Report

Not applicable

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# Pure Foods Tasmania Limited

Half Year Financial Statements

31 December 2022

Pure Foods Tasmania Limited  
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# Pure Foods Tasmania Limited

## Directors' Report

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The Directors of Pure Foods Tasmania Limited (the Company) present the financial report on the Company and its controlled entities (the Group) for the half-year ended 31 December 2022.

### Directors

Details of the Directors of the Company in office at any time during or since the end of the period and at the date of this report are:

Malcolm McAully	Non-executive Chairman
Michael Cooper	Managing Director
Ken Fleming	Non-executive Director

### Company Secretary

Justin Hill

### Principal Activities

The principal activities of the Group are the processing, manufacture, and sales of premium Tasmanian food products.

### Operating and Financial Review

The Group's focus for the 6 months to 31 December 2022 ('1H FY23') was on margin improvement and cost control in the wake of inflationary pressures. The Group delivered a 50% improvement in its EBITDA loss from \$0.95 million in 1H FY22 to a loss of \$0.47 million in 1H FY23, this was despite a 15% reduction in total revenue.

The reduction in revenue was mainly driven by a planned reduction in Woodbridge Smokehouse sales (down by 56% from \$1.72 million in 1H FY22 to \$0.75 million in 1H FY23) due to rising raw material prices, increased sales prices and disciplined focus on operating costs. Daly Potato Co. was also impacted in the first-half by wet seasonal conditions on the East Coast. This caused no supply of cabbages for an 8-week period and resulted in the Group temporarily withdrawing its Coleslaw range from major retailers and independents. Overall Daly Potato Co. sales were down 9% from \$1.40 million in 1H FY22 to \$1.28 million in 1H FY23.

However, continued growth in Tasmanian Pate and Cashew Creamery was achieved, up 5% and 28% respectively. Tasmanian Pate continues to grow driven by the success of the Homestead brand which saw sales increase from \$2.24 million 1H FY22 to \$2.35 million 1H FY23.

The Group's brands continue to be at the forefront of the fastest growing consumer lead categories, with key themes being targeted by the Group surrounding "conscious consumer", "convenience" and "at home elevated entertaining". This will be highlighted in the second half of the financial year by the release of Potato & Gravy in a reformatted 100% recyclable packaging in Coles in Victoria and Tasmania in late February, and also continued releases of new products from Lauds plant-based foods and The Cashew Creamery.

The Group has continued to invest in capacity expansion and automation in the 1H of FY23. This was highlighted by the delivery of a rotary line in The Cashew Creamery that has lifted capacity from 800 ice-cream sticks per day to 5,000 ice-cream sticks per day. This will provide further opportunities for an expanded range, and wider distribution network, whilst improving overall operating costs.

In the 2H of FY23, capital works will be completed on increased capacity and automation in Tasmanian Pate and increasing capacity and automation in Daly Potato Co. Notably, for Daly Potato Co. it will prepare the plant for further roll out of Potato and Gravy product, and increased distribution of the frozen Daly Potato Co. meal range.

The Company achieved several milestones in the 1H FY23 as part of a pivot to redress and achieve cost efficiencies in the wake of substantial inflationary pressures and establish an operating cost base that is sustainable and manageable. Prior to this refocus, the Group was primarily concerned with diversification, growth and scale although that came at a cost that, in the longer term, was not sustainable, and particularly when confronted with escalating raw material prices. At the time of listing the Company's strategy was growth from existing brands as well as acquisitions. That was achieved and the Company now boasts a stable of strong brands, versatile and skilled workforce, and substantially more product to pump through our many, and growing, distribution partners. Thus Stage 1 of the Board's strategy has been achieved and the second and equally critical Stage is now in train and that is to find a business that will substantially lift the profile and size of the Company while maintaining our core values of provenance, scale and diversification.

The Group as at mid-January has just \$140,000 in outstanding convertible notes. From the original issue of \$5.30 million in October and December 2021, \$1.71 million has been converted to equity and \$3.45 million redeemed early. This capital restructure (as announced to the ASX on 14 November 2022) has improved the visibility of the Group debt and equity structure and has also provided a more flexible balance sheet to explore further opportunities. This restructure was well supported by existing and new shareholders.



### Auditor's Independence

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Pure Foods Tasmania Limited. As the lead audit partner for the review of the financial report of Pure Foods Tasmania Limited for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pure Foods Tasmania Limited and the entities it controlled during the period.

*Wise Lord & Ferguson*

**Wise Lord & Ferguson**

A handwritten signature in blue ink, appearing to be 'Nick Carter', written over a faint blue line.

**Nick Carter**

Partner

Wise Lord & Ferguson

Dated: 21 February 2023

Signed in accordance with a resolution of the Director's made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors,

A handwritten signature in blue ink, appearing to be 'Michael Cooper', written over a faint blue line.

**Michael Cooper**

Managing Director

Dated: 21 February 2023

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Pure Foods Tasmania Limited  
 Consolidated Statement of Profit or Loss and Other Comprehensive Income  
 For the Half Year Ended 31 December 2022

	31 December 2022 \$	31 December 2021 \$
<b>Revenue</b>		
Revenue from operations	4,451,620	5,633,096
Other income	328,921	8,998
<b>Total revenue</b>	<b>4,780,541</b>	<b>5,642,094</b>
<b>Expenses</b>		
Cost of goods sold	3,705,838	4,502,406
Employment expenses	819,559	1,112,092
Occupancy, electricity, and telephone costs	78,480	83,996
Bad debts	-	1,132
Depreciation and amortisation	363,086	287,066
ASX listing fees and expenses	18,161	21,159
Finance costs	183,171	43,525
Insurance costs	52,627	105,854
Legal and professional fees	117,698	168,564
Marketing expenses	79,442	156,645
Motor vehicles expenses	24,930	26,160
Repairs and maintenance	101,941	98,031
Research, development and quality costs	49,581	53,355
Other expenses	204,110	266,038
<b>Total expenses</b>	<b>5,798,624</b>	<b>6,926,023</b>
<b>Profit/(loss) before income tax</b>	<b>(1,018,093)</b>	<b>(1,283,929)</b>
Income tax expense/(benefit)	(234,261)	(228,936)
<b>Net profit /(loss) after tax for the half year from continuing operations</b>	<b>(783,822)</b>	<b>(1,054,993)</b>

The above statement should be read in conjunction with the accompanying notes.



Pure Foods Tasmania Limited  
 Consolidated Statement of Profit or Loss and Other Comprehensive Income  
 For the Half Year Ended 31 December 2022

	31 December 2022 \$	31 December 2021 \$
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss in the future:</i>		
Other comprehensive income net of tax	-	-
<b>Total comprehensive income</b>	<u>(783,822)</u>	<u>(1,054,993)</u>
Net profit for the period attributable to:		
Owners of Pure Foods Tasmania Limited	(783,822)	(1,054,993)
	<u>(783,822)</u>	<u>(1,054,993)</u>
Total comprehensive income for the half year is attributable to:		
Owners of Pure Foods Tasmania Limited	(783,822)	(1,054,993)
	<u>(783,822)</u>	<u>(1,054,993)</u>
Basic earnings/(loss) per share (cents per share)	(0.01)	(0.02)
Diluted earnings/(loss) per share (cents per share)	(0.01)	(0.02)

The above statement should be read in conjunction with the accompanying notes.

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Pure Foods Tasmania Limited  
 Consolidated Statement of Financial Position  
 For the Half Year Ended 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	5,563,031	2,486,256
Trade and other receivables		1,053,074	1,263,014
Inventory		1,332,153	1,325,307
Other assets		310,583	227,579
<b>Total Current Assets</b>		<b>8,258,841</b>	<b>5,302,156</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4	6,536,644	5,826,296
Right-of-use assets	5	601,398	474,476
Intangible assets	6	2,544,178	2,544,178
Deferred tax assets		2,905,490	2,536,151
<b>Total Non-Current Assets</b>		<b>12,587,710</b>	<b>11,381,101</b>
<b>Total Assets</b>		<b>20,846,551</b>	<b>16,683,257</b>
<b>Current Liabilities</b>			
Trade and other payables		1,480,251	1,737,570
Lease liabilities	5	261,692	165,604
Employee provisions	7	185,181	232,833
Borrowings	8	2,511,782	270,184
<b>Total Current Liabilities</b>		<b>4,438,906</b>	<b>2,406,191</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	5	350,308	337,755
Employee provisions	7	-	17,992
Borrowings	8	1,605,534	975,948
Deferred tax liabilities		1,302,912	1,189,203
<b>Total Non-Current Liabilities</b>		<b>3,258,754</b>	<b>2,520,898</b>
<b>Total Liabilities</b>		<b>7,697,660</b>	<b>4,927,089</b>
<b>Net Assets</b>		<b>13,148,891</b>	<b>11,756,168</b>
<b>Equity</b>			
Contributed equity	9	18,819,704	16,643,159
Accumulated losses		(5,670,813)	(4,886,991)
<b>Total Equity</b>		<b>13,148,891</b>	<b>11,756,168</b>

The above statement should be read in conjunction with the accompanying notes.

Pure Foods Tasmania Limited  
Consolidated Statement of Changes in Equity  
For the Half Year Ended 31 December 2022

	Contributed Equity \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2021</b>	<b>9,402,889</b>	<b>(1,548,676)</b>	<b>7,854,213</b>
Loss for the half year	-	(1,054,993)	(1,054,993)
Other comprehensive income	-	-	-
Total comprehensive income for the half year	-	(1,054,993)	(1,054,993)
Issue of shares	7,570,744	-	7,570,744
Share issue costs	(352,466)	-	(352,466)
<b>Balance at 31 December 2021</b>	<b>16,621,167</b>	<b>(2,603,669)</b>	<b>14,017,498</b>
<b>Balance at 1 July 2022</b>	<b>16,643,159</b>	<b>(4,886,991)</b>	<b>11,756,168</b>
Profit for the half year	-	(783,822)	(783,822)
Other comprehensive income	-	-	-
Total comprehensive income for the half year	-	(783,822)	(783,822)
Issue of shares	5,949,836	-	5,949,836
Convertible notes redemption	(3,450,000)	-	(3,450,000)
Share issue costs	(323,291)	-	(323,291)
<b>Balance at 31 December 2022</b>	<b>18,819,704</b>	<b>(5,670,813)</b>	<b>13,148,891</b>

The above statement should be read in conjunction with the accompanying notes.

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Pure Foods Tasmania Limited  
 Consolidated Statement of Cash Flows  
 For the Half Year Ended 31 December 2022

	31 December 2022 \$	31 December 2021 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	4,956,821	4,836,177
Payments to suppliers and employees	(5,869,720)	(6,741,100)
Interest received	33,660	3,349
<b>Net cash (used in)/provided by operating activities</b>	<b>(879,239)</b>	<b>(1,901,574)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(964,909)	(1,486,942)
Payments for other intangible assets	-	(97,308)
<b>Net cash (used in)/provided by investing activities</b>	<b>(964,909)</b>	<b>(1,584,250)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	5,626,545	7,218,278
Redemption of convertible notes	(3,450,000)	-
Proceeds from borrowings	2,871,184	(220,362)
Principle elements of lease repayments	(126,806)	(104,740)
<b>Net cash (used in)/provided by financing activities</b>	<b>4,920,923</b>	<b>6,893,176</b>
Net (decrease)/increase in cash held	3,076,775	3,407,352
Cash and cash equivalents at the beginning of the half year	2,486,256	1,624,116
<b>Cash and cash equivalents at the end of the half year</b>	<b>5,563,031</b>	<b>5,031,468</b>

The above statement should be read in conjunction with the accompanying notes.

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This consolidated interim financial report and notes represent those of Pure Foods Tasmania Limited and controlled entities (the Group). Pure Foods Tasmania Limited is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

### 1. Basis of preparation

This consolidated interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes and the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### b) Critical accounting estimates, judgements and errors

The preparation of the interim financial statements of the Group requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Groups accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2022.

#### c) Going concern and profitability

These financial statements have been prepared on the basis the Group is a going concern.

For the half year ended 31 December 2022 the Group incurred losses before tax of \$1.018m (1H FY22: \$1.283m loss) and incurred net cash outflows from operations of \$0.879m (1H FY22: \$1.901m). As at 31 December 2022, the Group had cash and cash equivalents of \$5.563m (2022: \$2.487m), having raised cash from the issuance of shares during the half (net of costs) of \$5.627m. The Group is in a net current asset position of \$3.820m (2022: \$2.896m) with total external borrowings of \$4.117m (2022: \$1.246m).

During the 2023 half year the Group has continued to implement a number of strategic objectives. The following is a summary of the activities that have been delivered during the 2023 half year:

- In September 2022, the Group raised ("Offer") a total of \$5.65m (after costs) from new and existing shareholders. This was facilitated by a Placement to sophisticated investors and

Entitlement Offer to existing shareholders. The Offer was oversubscribed, and funds raised are to be used for working capital, expansion and automation of plant and equipment, securing key assets and exploring product growth opportunities.

- On 31 October 2022, the Group announced the redemption ("Redemption") of up to \$3.50m of the \$4.675m of Notes that were outstanding held by Noteholders (from the \$5.30m that were issued, with \$625k being converted to shares prior to 31 October 2022). The funds were provided by a bank loan of \$2.50m and funds on hand of \$1.0m which the Group held prior to the September capital raise.
- Noteholders were also encouraged to convert their Notes and of the \$4.675m of Notes that were held, \$3.450m has been redeemed and a further \$1m million converted to ordinary shares up to 31 December 2022 (bringing the total conversion of notes to ordinary shares to \$1.625m). The outstanding convertible notes as at 31 December 2022 was \$225k.
- At the time of this Announcement, there are just \$140k of convertible notes that are outstanding (with a further \$85k converted in January 2023) and it's expected the remainder will be converted or redeemed in late calendar 2023.

Further the Company continued to improve its operational performance in FY23 1H driven by:

- Exiting loss making WBSH sales and increasing prices. This resulted in a decrease in revenue however has led the Group to build a more sustainable business for the Woodbridge range.
- Reduced its loss from operations from \$1.90m 1H FY22 to \$0.88m 1H FY23. This improved through the 1Q and the 2Q and will continue into the 2H FY23 driven by further price increases and increased sales via the launch of Potato and Gravy.
- Reduced employment expenses from \$1.11m 1H FY22 to \$0.82m 1H FY23. This will continue into the 2H of FY23 with not all initiatives being recognised including the automation within Tasmanian Pate beginning in March 2023.
- Continued cost control of overheads, marketing, insurance and legal and professional fees which reduced from \$0.75 million 1H FY22 to \$0.50 million 1H FY23. There are further benefits in 2H FY23 that will reduce these costs associated with focus on initiatives that overall improve margins.
- Cost of goods sold reducing from 79.8% of total revenue in 1H FY22 to 77.5% of total revenue in 1H FY23. This was supported by continuing to work with key suppliers on raw material and packaging initiatives. This will continue into 2H FY23 with significant reductions in Tasmanian Pate ingredients and an improved supply position with Daly Potato Co. ingredients.

Considering the capital raise and conversion of convertible notes, ongoing investor support and improved margins and overhead reduction along with product initiatives, the Directors are of the opinion the Group has the ability to continue to make significant progress in achieving profitable growth and sufficient funding if its operations. Accordingly, the consolidated half year report has been prepared on a going concern basis.

## 2. Segment information

The operating segments are based upon the units identified in the operating reports reviewed by the Board and executive management, and that are used to make strategic decisions, in conjunction with the quantitative thresholds established by AASB 8 *Operating Segments*.

Management measures the performance of the segments identified at the 'profit/(loss) before tax' level.

Pure Foods Tasmania Limited  
Notes to and Forming Part of the Financial Statements  
For the Half Year Ended 31 December 2022

2. Segment information (continued)

As such, there are two identifiable and reportable segments, each of which are outlined below:

	Food \$	Corporate and other \$	Total \$
<b>Half year ended 31 December 2022</b>			
Total sales	4,451,620	-	4,451,620
Other income	147,490	181,431	328,921
<b>Profit/(loss)</b>	<b>(903,951)</b>	<b>(120,217)</b>	<b>(1,018,083)</b>
Profit/(loss) before income tax			(1,018,083)
Income tax (expense)/benefit			(234,261)
<b>Profit/(loss) after income tax</b>			<b>(783,822)</b>
<b>Assets</b>			
Assets	17,411,369	3,435,182	20,846,551
<b>Total assets</b>	<b>17,411,369</b>	<b>3,435,182</b>	<b>20,846,551</b>
<b>Liabilities</b>			
Liabilities	6,343,924	1,353,736	7,697,660
<b>Total liabilities</b>	<b>6,343,924</b>	<b>1,353,736</b>	<b>7,697,660</b>
<b>Half year ended 31 December 2021</b>			
Total sales	5,633,096	-	5,633,096
Other income	8,994	4	8,998
<b>Profit/(loss)</b>	<b>982,262</b>	<b>(2,266,191)</b>	<b>(1,283,929)</b>
Profit/(loss) before income tax			(1,283,929)
Income tax (expense)/benefit			228,936
<b>Profit/(loss) after income tax</b>			<b>(1,054,993)</b>
<b>Assets</b>			
Assets	16,809,839	2,706,435	19,516,274
<b>Total assets</b>	<b>16,809,839</b>	<b>2,706,435</b>	<b>19,516,274</b>
<b>Liabilities</b>			
Liabilities	4,448,499	1,050,277	5,498,776
<b>Total liabilities</b>	<b>4,448,499</b>	<b>1,050,277</b>	<b>5,498,776</b>

### 3. Cash and cash equivalents

	31 December 2022 \$	30 June 2021 \$
Cash and cash equivalents	5,563,031	2,486,256
<b>Total cash and cash equivalents</b>	<b>5,563,031</b>	<b>2,486,256</b>

#### Reconciliation of cash and cash equivalents to the statement of cash flows:

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the reporting period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalent	5,563,031	2,486,256
	<b>5,563,031</b>	<b>2,486,256</b>

### 4. Property, plant and equipment

	Buildings at cost \$	Plant and equipment \$	Work in progress \$	Total \$
<b>Balance at 30 June 2022</b>				
Cost	1,809,448	5,209,803	-	7,019,251
Accumulated depreciation	(115,190)	(1,077,765)	-	(1,192,955)
<b>Net carrying amount</b>	<b>1,694,258</b>	<b>4,132,038</b>	<b>-</b>	<b>5,826,296</b>
<b>Net carrying amount at the beginning of the half year</b>	<b>1,694,258</b>	<b>4,132,038</b>	<b>-</b>	<b>5,826,296</b>
Additions	10,039	453,541	501,329	964,909
Disposals	-	-	-	-
Depreciation expense	(23,032)	(231,529)	-	(254,561)
<b>Net carrying amount at the end of the half year</b>	<b>1,681,265</b>	<b>4,354,050</b>	<b>501,329</b>	<b>6,536,644</b>
<b>Balance at 31 December 2022</b>				
Cost	1,819,487	5,663,344	501,329	7,984,160
Accumulated depreciation	(138,222)	(1,309,294)	-	(1,447,516)
<b>Net carrying amount</b>	<b>1,681,265</b>	<b>4,354,050</b>	<b>501,329</b>	<b>6,536,644</b>



5. Right-of-use assets and lease liabilities

*Right-of-use assets*

	Buildings \$	Total \$
<b>Balance at 30 June 2022</b>		
Cost	912,941	912,941
Accumulated amortisation	(438,465)	(438,465)
<b>Net carrying amount</b>	<b>474,476</b>	<b>474,476</b>
<b>Net carrying amount at the beginning of the half year</b>	474,476	474,476
Additions	235,447	235,447
Disposals	-	-
Amortisation expense	(108,525)	(108,525)
<b>Net carrying amount at the end of the half year</b>	<b>601,398</b>	<b>601,398</b>
<b>Balance at 31 December 2022</b>		
Cost	1,148,388	1,148,388
Accumulated amortisation	(546,990)	(546,990)
<b>Net carrying amount</b>	<b>601,398</b>	<b>601,398</b>
<i>Lease liabilities</i>		
	31 December 2022 \$	30 June 2022 \$
Current	261,692	165,604
Non-current	350,308	337,755
<b>Total lease liabilities</b>	<b>612,000</b>	<b>503,359</b>

6. Intangible assets

	Intangibles \$	Total \$
<b>Balance at 30 June 2022</b>		
Cost	2,544,178	2,544,178
Accumulated amortisation and impairment	-	-
<b>Net carrying amount</b>	<b>2,544,178</b>	<b>2,544,178</b>
<b>Net carrying amount at the beginning of the half year</b>	2,544,178	2,544,178
Additions	-	-
Disposals	-	-
Amortisation/impairment expense	-	-
<b>Net carrying amount at the end of the half year</b>	<b>2,544,178</b>	<b>2,544,178</b>

Goodwill is carried at cost less accumulated impairment losses.

The Group has two cash generating units (CGUs) for which impairment testing is completed in accordance with AASB136 *Impairment of Assets*. Goodwill is not amortised but is tested annually for impairment more frequently if events or changes in circumstances indicate that it might be impaired. The CGUs of the Group include Foods which consists of Tasmanian Pate, Woodbridge Smokehouse, Daly Potato Co., Lauds Plant-Based Foods, The Cashew Creamery, and Corporate. The recoverable amount of the Food CGU has been determined on a value in use calculation which uses cashflow projections based on market information, financial budgets and forecasts approved by management covering a five-year period. Forecasts are updated monthly based on actual results.

Key assumptions used in the value at use calculations include:

	Sales growth rate (CAGR 6 years)	Production costs growth rate (CAGR 6 years)	Indirect costs growth rate (CAGR 6 years)	Long-term growth rate	Pre-tax discount rate
Pure Foods Tasmania products	17.10%	10.90%	1.50%	3.00%	11.20%

No impairment of goodwill has occurred as at 31 December 2022.

## 7. Employee provisions

	31 December 2022 \$	30 June 2022 \$
<i>Current</i>		
Employee benefits	185,181	232,833
<b>Total current employee provisions</b>	<b>185,181</b>	<b>232,833</b>
<i>Non-current</i>		
Employee benefits	-	17,992
<b>Total non-current employee provisions</b>	<b>-</b>	<b>17,992</b>
<b>Total employee provisions</b>	<b>185,181</b>	<b>250,825</b>

## 8. Borrowings

<i>Current</i>		
Hire purchase liabilities	11,782	6,550
Bank loan facility	2,500,000	263,634
<b>Total current borrowings</b>	<b>2,511,782</b>	<b>270,184</b>
<i>Non-current</i>		
Hire purchase liabilities	-	8,480
Bank loan facility	1,605,534	967,468
<b>Total non-current borrowings</b>	<b>1,605,534</b>	<b>975,948</b>
<b>Total borrowings</b>	<b>4,117,316</b>	<b>1,246,132</b>

### *Secured liabilities and assets pledged as security*

The Group has entered into finance facilities with the Commonwealth Bank of Australia (CBA) and National Australia Bank these include:

1. \$2.50 million market rate loan for 12 months that is secured against a \$2.50 million deposit facility with CBA;
2. \$1.61 million asset finance facilities which are secured over specific assets ranging with maturity dates from December 2024 to August 2026 with CBA; and
3. \$0.01 million asset finance facility with a maturity date of September 2024 with NAB.

## 9. Contributed equity

	Number of shares		Share capital	
	31 December 2022 No.	30 June 2022 No.	31 December 2022 \$	30 June 2022 \$
Ordinary shares – fully paid (post-consolidation)	109,101,628	61,816,470	18,819,704	16,643,159
<b>Total contributed equity</b>	<b>109,101,628</b>	<b>61,816,470</b>	<b>18,819,704</b>	<b>16,643,159</b>

Transaction costs arising on the issue of ordinary shares are recognised directly in equity at the time the expense is incurred. Note 1(c) provides further information in regard to the movement in share capital for the half year ended 31 December 2022.

### *Movement in contributed equity*

Date	Details	Ordinary shares No.	Amount \$
1 July 2022	Balance at beginning of period	61,816,470	16,643,159
	Shares issued	47,285,158	5,949,836
	Convertible note redemption	-	(3,450,000)
	Shares issue costs	-	(323,291)
31 December 2022	<b>Balance at end of period</b>	<b>109,101,628</b>	<b>18,819,704</b>

## 10. Dividends

	31 December 2022 \$	30 June 2022 \$
Dividends paid or provided for during the half year	-	-

## 11. Events occurring after reporting date

The Board is not aware of any matter or circumstance not otherwise dealt within these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Pure Foods Tasmania Limited  
Directors' Declaration

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In the Directors' opinion:

- a) The financial statements and notes set out on pages 5 to 17 are in accordance with the *Corporations Act 2001*, including:
  - i. Complying with Accounting Standards, the *Corporations Regulations 2001* and other professional mandatory reporting requirements; and
  - ii. Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
  
- b) There are reasonable grounds to believe that Pure Foods Tasmania Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



**Michael Cooper**

Managing Director

Date: 21 February 2023

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Independent Auditor's Review Report to the members of Pure Foods Tasmania Limited



Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pure Foods Tasmania Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pure Foods Tasmania Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

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### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report Pure Foods Tasmania Limited is not in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The logo for Wise Lord & Ferguson, featuring the company name in a blue, cursive script font.

Wise Lord & Ferguson

A blue ink signature, likely belonging to Nick Carter, written in a cursive style.

Nick Carter

Partner

Wise Lord & Ferguson

Date: 21 February 2023

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**Board of Directors**

Malcolm McAully	Non-executive Chairman
Michael Cooper	Managing Director and CEO
Ken Fleming	Non-executive Director

**Company Secretary**

Justin Hill

**Registered Office**

2/179 Murray Street  
Hobart, Tasmania, 7000, Australia

**Postal Address**

100-104 Mornington Road  
Mornington, Tasmania, 7018, Australia

**Share Registry**

Automic Registry Services  
Level 2, 267 St George Terrace  
Perth, Western Australia, 6000, Australia

**Auditor**

Wise Lord & Ferguson  
Level 1, 160 Collins Street  
Hobart, Tasmania, 7000, Australia

**Solicitors**

Page Seager  
Level 2, 179 Murray Street  
Hobart, Tasmania, 7000, Australia

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**Bankers**

National Australia Bank (NAB)

Commonwealth Bank of Australia

**Stock Exchange Listing**

Pure Foods Tasmania Limited shares are listed on the Australian Securities Exchange, code PFT.

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