

Board Commentary on 1H26 Results and Current Business Performance

Pure Foods Tasmania Limited (ASX: PFT)

4 March 2026

Key points

Operating performance

- At the end of FY25 and into FY26, the focus for PFT has been on lifting revenue given the success of the business realignment strategy, undertaken in late 2024 and throughout most of FY25;
- In the seven months to 31 January 2026, the Company has enjoyed several months of:
 - positive cashflow from Operations;
 - positive EBITDA; and
 - growing gross profit margins.
- Consolidation of manufacturing facilities completed during the six months to 31 December, is expected to deliver approximately \$200,000 per annum in savings;

Sales momentum

- National distribution expanded significantly, including new ranging secured with Costco Australia;
- Easter 2026 orders received from a major retail customer ~70% above prior corresponding period representing an additional \$150,000 in revenue;
- Tasmanian Pâté range has been relaunched with Drakes Supermarkets;
- Distribution expanded nationally to Coles Supermarkets from ~300 stores to ~700.

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- Contract packing agreement secured with premium Sydney seafood providore, improving factory utilisation, adding revenue and margin;
- Acquisition of premium ice cream brand Elato completed and 'Ice Cream Division' formally established.

Capital

- Total **borrowings reduced by ~\$2.5M** over the past 12 months;
- Approximately **\$1.75M** in new capital raised to strengthen the balance sheet.

The weight loss and new svelte body emerges

Pure Foods Tasmania Limited (**PFT**, **Pure Foods** or the **Company**) commenced FY25 with a clear and disciplined focus on restoring financial performance and strengthening operational foundations. That discipline has continued through 1H26.

Following losses recorded in prior periods, the Board pivoted away from a previously growth-driven strategy and prioritised balance sheet stability, structural cost reduction and operating efficiency. The objective has been to reshape the business into a lean, performance-oriented manufacturing and distribution platform capable of converting incremental revenue into improved profitability.

Throughout late FY24 and into FY25, Pure Foods undertook substantial structural reform, and met all its then short and medium term targets. These initiatives have materially lowered the Group's fixed cost base and reduced the revenue threshold required to achieve sustained profitability.

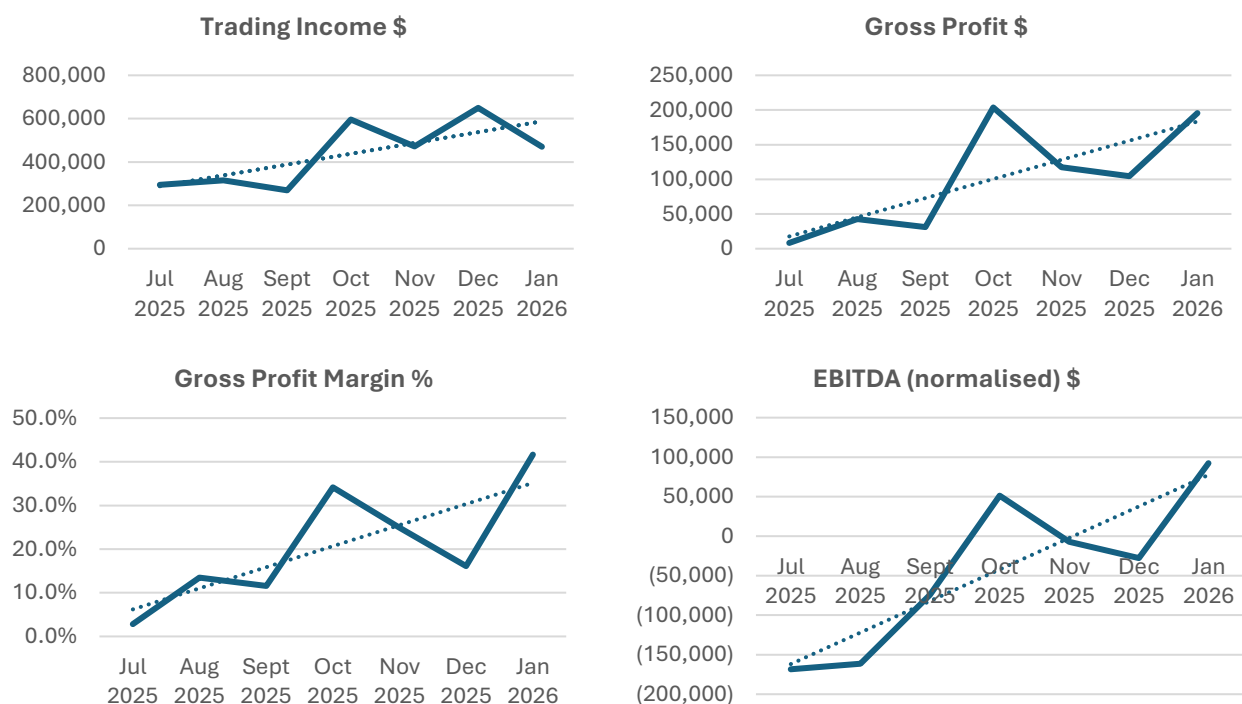
Executive Chairman Malcolm McAully stated:

"We are now lean, aligned and disciplined. The business has been reshaped into a flexible and efficient manufacturing and distribution platform where incremental revenue can more directly improve profitability. The resilience shown by our employees and the Board during this rebuilding phase has been exceptional."

Financial performance and momentum

Statutory results for 1H FY26 include several non-cash accounting adjustments undertaken in consultation with the Company's auditor, primarily relating to the write-back of previously recognised deferred tax assets, the write off of assets and a loss on disposal of assets. The Board determined it prudent to address these matters in the current reporting period.

Excluding these non-cash adjustments, underlying trading performance improved materially compared to prior periods. Note the clear trends for a number of key business metrics over the last seven months:



Source: Pure Foods Tasmania Limited, Management Accounts (unaudited).

The Board remains focused on continued margin expansion, increased factory utilisation and improved cash generation as sales volumes build.

Sales momentum and commercial progress

While 1H26 represented a stabilisation phase, the Company has entered the second half of FY26 with strengthening commercial traction.

Easter orders

Orders received for Easter 2026 from a major retail customer are approximately 70% higher than the prior corresponding period representing an additional \$150,000 in revenue. These additional orders reflect improved execution, ranging optimisation and strengthened retailer engagement.

Costco Australia

New ranging secured with Costco Australia includes:

- 300g Tasmanian Pâté SKU; and
- 1kg Daly Potato bags.

Initial orders are scheduled across an eight-week program, with product on shelf from 16 March 2026.

Drakes Supermarkets relaunch

The Tasmanian Pâté range has been relaunched across more than 70 Drakes Supermarkets stores in South Australia and Queensland.

Coles National Expansion

Distribution expanded nationally from approximately 300 stores to approximately 700 Coles supermarkets, significantly increasing brand reach and visibility.

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Contract Packing

A contract packing agreement was secured with a premium Sydney-based smoked salmon and ocean trout providore Brilliant Foods, further improving factory utilisation and manufacturing leverage.

Establishment of Ice Cream Division

In November 2025, the Company completed the acquisition of premium ice cream brand Elato.

The acquisition formalises the establishment of Pure Foods Tasmania's Ice Cream Division, bringing together Elato and the Company's existing Cashew Creamery range under a unified growth strategy.

Elato founder Roz Kaldor-Aroni has been appointed General Manager of the Ice Cream Division. Under her leadership, the Division will focus on:

- Expanding national distribution;
- Increasing brand velocity;
- Driving product innovation; and
- Pursuing contract manufacturing opportunities, leveraging the Company's Hobart-based production capability.

The Board believes the Ice Cream Division provides a focused and scalable growth platform within an attractive premium category.

Liquidity and capital management

As disclosed in the Appendix 4D and half-year financial report, the Group reported a statutory net loss of \$6.849m and a net operating cash outflow for the half of \$1.590m. The half-year report also notes the reclassification of certain borrowings as 'current' following covenant breaches.

The Board is engaged in constructive discussions with its banking partner regarding refinancing and alignment of facilities with the Group's revised operating structure and forward forecasts.

Detailed cash flow forecasts covering at least 12 months from the date of this announcement have been prepared and stress tested. Based on sustained margin improvement, structural overhead reductions, expected sales momentum and forecast cashflow, the Directors are comfortable the outlook remains positive.

Executive Chairman Malcolm McAully added:

"The restructuring phase has been necessary and disciplined. Our singular objective now is to grow revenue, improve scale and convert that growth into sustainable profitability. The culture across the organisation is performance-driven and commercially accountable."

Annual General Meeting and Governance update

The Company's Annual General Meeting (**AGM**), which was originally intended to be held prior to 30 November 2025, was deferred following the identification and subsequent disclosure of inadvertent breaches of ASX Listing Rules, as announced on 29 January 2026.

The Board considered it appropriate to finalise its review of those matters and amend the resolutions for the AGM prior to convening the AGM. The timing of this process, together with the year-end holiday period, has delayed the holding of the meeting.

The Company confirms that additional governance and compliance procedures have since been implemented to strengthen Listing Rule oversight and reporting processes. The Board considers the Company's governance framework appropriate and robust going forward.

The AGM will be convened as soon as practicable, and the Board looks forward to engaging with shareholders at that time.

Outlook

The Company enters 2H26 with:

- Strengthening and building retailer relationships;
- Expanded national distribution;
- Improved margin profile;
- Lower structural cost base; and
- A newly established Ice Cream Division with defined leadership and growth strategy.

Management expects continued revenue growth across core product categories and increasing contribution from new ranging, contract manufacturing and the Elato brand.

The Board remains committed to disciplined execution, strengthening cash generation and delivering long-term shareholder value.

The Board acknowledges that the past period has required significant restructuring and difficult decisions. We thank shareholders for their continued support and patience as the Company has undertaken this necessary reset. The foundations of the business are now materially stronger, with improved operating leverage, expanded distribution and clearer strategic focus. The Board remains confident that the structural changes implemented over the past 12 months position the Group to deliver improved financial performance as sales momentum builds through the second half of FY26 and beyond.

Corporate

Malcolm McAully
Executive Chair
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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 and the PFT Ice Cream Division.

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