

**ASX Announcement**

**2nd February 2021**

**PFT to acquire 100% of Tasmanian Lauds Plant Based Food Business**

**HIGHLIGHTS**

- PFT has agreed to **acquire Tasmanian plant-based dairy alternative production business - Lauds Plant Based Foods (“Lauds”)**;
- The acquisition secures PFT’s move into \$3.9B global plant-based cheese market<sup>1</sup> with production operations and supports PFT’s existing New Pastures plant-based brand;
- **Significant growth is expected in short term** for Lauds with PFT’s current extensive distribution channels and further distribution opportunities opening up for PFT’s existing brands through Lauds’ niche market network;
- The Lauds business is growing rapidly with **sales in H1 FY21 up 100% over H1 FY20 to \$200,000 (based on unaudited financials)**;
- Purchase price is \$350,000 (plus working capital adjustments) in an approx 60/40 scrip/cash split. 314,487 PFT shares will be issued at \$0.879 per share (being the 14-day VWAP up to and including 1 February 2021);
- Consideration shares to be escrowed with 24.6% of consideration shares to be escrowed for 8 months, 37.7% of shares to be escrowed for 12 months and 37.7% of shares to be escrowed for 24 months;
- The conditions precedent under the sale agreement have been satisfied or waived and consolidation and **acquisition of Lauds is effective from 1<sup>st</sup> February 2021.**





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## THE ACQUISITION

Pure Foods Tasmania Limited (“PFT” or “the **Company**”) (“ASX:PFT”) is pleased to announce that it has agreed to acquire Lauds Plant Based Foods Pty Ltd (“**Lauds**”).

Lauds Plant Based Foods is a Tasmanian based creator of a range of dairy and cheese alternatives made from plants - predominantly nuts and oats. It is currently a small-to-medium size production operation with Laud’s budgeted revenue to be \$400,000 for FY21 - a greater than 150% increase over FY20. Lauds’ financial statement for FY20 shows a positive EBITDA and NPAT.

Lauds currently provides all products for PFT’s recently launched New Pastures range, in which the mutual benefits of this successful partnership led to discussions that have now culminated in the agreement to acquire Lauds to support further growth and product development.

The Lauds brand will work alongside New Pastures, with Lauds targeting a more traditional lifestyle motivated plant-based market, and New Pastures targeting a broader mass consumer market.

Lauds will be additionally sold through PFT’s existing distribution channels, including Tasmanian route, national independents, and export. The acquisition also opens a wider range of distribution channels for PFT’s existing brands, established by Lauds within a niche market of health food stores and plant-based distributors.

The acquisition is aligned with PFT’s Strategic Plan to grow organically (through brands such as New Pastures) and acquisition into the expanding globally plant-based cheese market, which is forecasted to reach \$3.9 Billion by 2024<sup>1</sup>.

CEO Michael Cooper said “we believe we can build an amazing business that can bring more and more plant-based food and beverages to Australia and distributed to our core export customers, principally in Hong Kong and Singapore. We think Lauds is a great fit and we are excited about the opportunities for Lauds and PFT”.

The total purchase price for Lauds is \$350,000 (plus working capital adjustments) and settlement will be a combination of shares (PFT scrip issued under PFT’s Listing Rule 7.1 capacity at \$0.879 per share, being the 14-day VWAP up to and including 1 February 2021) and cash, in an approx 60/40 split (scrip/cash).



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There are immediate synergies and benefits PFT can experience through consolidating Lauds, including combined distribution, IP sharing and substantial costs savings, which will provide significant growth and margin expansion. The Company intends to have it consolidated and the acquisition effective from 1<sup>st</sup> February 2021.

The three founders of Lauds will continue to have a role within Lauds and PFT, with Simon and Dani remaining with the business and Pia, who currently works part-time, continuing to have an ongoing role assisting in marketing and sales.

## ABOUT LAUDS

Lauds Plant Based Foods is a Tasmanian-based creator of a range of dairy and cheese alternatives made from plants - predominantly nuts and oats. Lauds creates products that are delicious, nutritious, socially and environmentally sustainable and cruelty free.



Lauds was established in 2017 by three passionate Tasmanians - Dani Wheatley, Pia Palmer and Simon Paul. It was a common ideology that bonded the three and culminated in the journey to establish and build a plant-based business.

Lauds operates with a strong social conscience. The founders are motivated by a love of food, a love of the planet, the ethical treatment of animals and the growth of sustainable food production processes.

Lauds' current range includes 8 products available in consumer and food service sized packs. The products are currently distributed and sold throughout Australia through existing distribution partners.

Find out more: [www.lauds.com.au](http://www.lauds.com.au)

**[Ends]**

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



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## About Pure Foods Tasmania (PFT)

Pure Foods Tasmania Pty Ltd 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.
- **Daly Potato Co.** - farm fresh convenience meals and salads made from potatoes grown on the Daly family farm, currently distributed throughout Tasmania and a growing number of Australian 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.

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<sup>i</sup> Plant-based Cheese Market - Global Outlook and Forecast 2019-2024, Report, December 2019.