

ASX Announcement: 31 October 2025

Business Activity Report and Appendix 4C Quarterly Cash Flow

TasFoods Limited (**TasFoods**, **ASX:TFL**, the **Company**) today released its Business Activity Report and Appendix 4C Quarterly Cash Flow for the quarter ended 30 September 2025 (Q3 2025).

Highlights for Q3 2025:

- Business sale agreement signed for the sale of Pyengana Dairy for \$2m (\$1.7m cash and \$0.3m shares of AgFood in TFL) plus inventory;
- Extraordinary General Meeting (EGM) is expected for late November 2025 with settlement to occur soon after EGM is completed for the sale of Pyengana Dairy;
- Settlement of the old Betta Milk property in Burnie, completed in September 2025, with funds used to paydown term debt;
- Protracted oversupply and continued heavy discounting of wholesale poultry pricing into the Tasmanian market, through Q3 2025 from mainland distributors and wholesalers;
- Pyengana Dairy cheese sales performance into the original 182 Coles stores nationally continues its strength with ranging into 25 new Coles stores.
- Indirect costs across the Company decreased by 5.6% compared to PCP, reflecting the positive impact of cost management strategies despite sustained challenges in poultry sales due to consumer spending and continued oversupply and heavily discounted wholesale pricing of poultry into Tasmanian market channels;
- Operating the corporate office as lean as possible, whilst focusing only on essential services until the poultry market improves has resulted in a \$0.1m reduction in corporate costs compared to the PCP; and
- The Company remains focused and committed to pro-actively assessing all business operations and the asset profile under our Capital Management Framework to explore all opportunities to enhance returns for shareholders.

Operational Update

In Q3 2025, total revenue for the Poultry division declined by 13.6% compared to the PCP, driven by the oversupply of mainland poultry into local Tasmanian and other mainland markets. This has increased competition and lowered wholesale prices in respective markets as mainland distributors and wholesalers continue to move inventory at low cost.

Gross margins in Nichols Poultry declined on the PCP, driven by lower sales revenue offset by input cost reductions of feed and contract grower fees due to the transition of contract growing sheds, under Nichols Poultry direct management of daily operations through lease agreements. This has been part of the strategy to strengthen the Poultry supply chain as part of its operational strategy. This provides greater operational control across the chicken broiler growing network of Nichols Poultry.

Financial update

The financial metrics for the Company continue to be significantly impacted by the oversupply and cheaper wholesale poultry pricing in the Tasmanian market in Q3 2025.

TasFoods reported a total revenue decrease in the quarter of 13.2% to \$9.3m on the PCP from total operations. This decline reflects the continued oversupply of lower cost poultry products sourced from mainland Australian states entering the Tasmanian poultry market mainly across the food service and wholesaler channels. The substitute of lower cost, lower quality, poultry cuts were further impacted by the continued challenging economic climate and tightened household spending we continue to experience in 2025.

Sales revenue in the poultry division remain challenging with total revenue being 14.2% down compared to PCP. This is represented by sales volumes 9.7% (142 tonnes) lower than PCP and price being 4.5% (\$0.29/kg) lower compared to PCP. Significantly reduced wholesale poultry prices into the food service and wholesale market channels from the oversupply of mainland sourced poultry products is expected to remain through Q4 2025 and into 2026. The significant reduction of sales volume compared to PCP, is the decision not to compete in non-profitable poultry SKUs and market channels in the local Tasmanian market and some mainland markets, when the added costs of delivery and fixed operating costs make it unsustainable to supply.

The Company is focused on a very strict working capital and operational management across all business segments it operates in. The Company remains driven on achieving incremental improvements and upholding a robust working capital framework to maintain sufficient cash levels and financial stability.

Quarterly Cash Flow

TasFoods' Appendix 4C for the quarter ended 30 September 2025 (Q3 FY2025) has been lodged with the ASX today. Key points include:

- The quarter ended with a closing cash on hand balance of \$1.3m overdraft, inclusive of the \$2.0m in working capital facilities available through NAB;
- Cash receipts from customers from operations (poultry, cheese) totalled \$10.5m, representing a 8.1% decrease compared to the PCP;
- Net operating cash outflows of \$0.2m reflected a \$0.2m decrease on the PCP (\$0.02m net operating cash inflow in Q3 2024);
- Net investing cash inflows of \$1.9m represents a \$2m increase on the PCP. This consists of the sale of the old Betta Milk property in Burnie, less capital expenses for Pyengana Dairy as part of export accreditation, upgraded milk pasteuriser and upgrade to the production facility areas.
- Net financing cash outflows for the quarter totalled \$1.7m, comprising a \$1.5m repayment of term debt to NAB and \$0.2m in operating lease payments for the quarter.

Outlook

We continue to see in Q4 2025 a continuation from FY2024 and YTD 2025 of the surplus of mainland chicken availability and increased competition through all market channels. This has been intensified with heavily discounting of poultry volumes at the wholesale level again throughout Q3

and YTD 2025. Trading conditions are expected to remain extremely competitive and challenging for Q4 2025 and into 2026 for food manufacturing and agribusiness companies operating in the domestic grocery and food service channels. Increasing labour, logistics, direct input costs, the continued cost-of-living pressure and economic uncertainty – nationally and locally in Tasmania continue to weigh heavily on both business and consumer confidence.

Under our Capital Management Framework TasFoods continues to evaluate its business and asset portfolio to optimise shareholder returns. The Company will continue to evaluate the market conditions and demand for our branded product assets to achieve optimum shareholder returns. We believe our Nichols Poultry and Isle & Sky businesses each have their own unique brand equity, and the Company will continue to explore opportunities to realise that potential.

Authorised for ASX release by the Board of Directors of TasFoods Ltd.

TasFoods contact

Joshua Fletcher
Chief Executive Officer
+61 3 6331 6983

Forward-looking statements

The Appendix 4C contains certain forward-looking statements that are based upon information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of TasFoods. These factors may cause actual results to differ materially from those expressed in the Appendix 4C contained in this announcement.

Appendix 4C

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

Name of entity

TasFoods Limited

ABN

53 084 800 902

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,515	30,363
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(7,503)	(22,721)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(3,076)	(9,580)
(f) administration and corporate costs	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(142)	(324)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(206)	(2,262)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(129)	(288)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2,000	2,000
	(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	1,871	1,712

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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	1,225
3.6	Repayment of borrowings	(1,508)	(1,949)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(241)	(588)
3.10	Net cash from / (used in) financing activities	(1,749)	(1,312)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(1,289)	489
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(206)	(2,262)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,871	1,712

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,749)	(1,312)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(1,373)	(1,373)

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	(1,373)	(1,289)
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(1,373)	(1,289)

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	-
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>		

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 (includes lease liabilities under AASB 16)	8,653	8,252
7.2	Credit standby arrangements	-	-
7.3	Other (bank overdraft)	2,000	1,373
7.4	Total financing facilities	10,653	9,625
7.5	Unused financing facilities available at quarter end		1,028
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. Item 7.1 – TasFoods Ltd Group's total loan facilities available as at 30 September 2025 amounted to \$8.3m of which \$5.2m relates to financial liabilities under AASB 16 Leases, \$2.2m relates to term loans with NAB, \$0.7m relates to a shareholder loan from Research Corporation Pty Ltd, \$0.5m relates to asset finance facility with NAB (unused \$0.4m). Borrowings are secured over assets financed, property leases and by mortgage over property and water rights owned by Nichols Poultry Pty Ltd and Van Diemen's Land Dairy Pty Ltd. Interest rates on these liabilities range between 3.70% and 11%, with the weighted average interest rate being 6.84%. Item 7.3 and 7.5 – Nichols Poultry Pty Ltd and Tasmanian Food Co. Dairy Pty Ltd (subsidiaries of TasFoods Ltd) have available in unused bank overdraft facilities, combined total being \$0.6m.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(206)
8.2	Cash and cash equivalents at quarter end (item 4.6)	
8.3	Unused finance facilities available at quarter end (item 7.5)	1,028
8.4	Total available funding (item 8.2 + item 8.3)	1,028
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.99
<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: 31 October 2025

Authorised by: TasFoods Limited Board

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.