

**ASX Announcement**  
**21 June 2018**

## **Longtable Group to acquire St David Dairy and raises \$15 million**

Longtable Group Limited (ASX: LON, 'Longtable' or 'the Company') is pleased to announce that the Company has signed an agreement to purchase 100% of St David Dairy Pty Ltd (**St David's**), Melbourne's only super premium inner-city dairy business, for \$15.25 million (\$12.25 million in cash and \$3 million in shares).

### **A strategically compelling acquisition**

- St David's is a premium brand that embodies the highest quality and product integrity
- Established presence in Melbourne – supplying leading cafés, restaurants and retailers – can be grown in other Australian cities
- High quality milk supply in place that encourages sustainable farming via a paddock-to-plate approach
- Urban production footprint is scalable
- Immediately EPS accretive, cashflow positive business
- Delivers on our promise to build a house of super-premium food and beverage brands focusing on high quality, nutrition, localisation and transparency.

Established in 2013 and based in the urban hub of Fitzroy (in Melbourne), St David's has captured the demand for locally produced and transparently sourced dairy products. St David's is a premium brand servicing Melbourne's leading cafés, restaurants and retailers with a premium range of locally sourced milk, butter, cream and yogurt. The support of high-end restaurants and cafés demonstrates the value placed on high quality milk to make Australia's best coffee and offer premium butters.

St David's recently won a number of awards at the 2018 Dairy Industry Association Awards, including National Champion for their Cultured Salted Butter and Victorian Overall Champion for their First Lite Milk. This adds to the numerous awards received from Fine Food, Delicious Produce and the Sydney Royal Show.

The founders of the business, Ben and Bianca Evans, have a long history in the dairy industry and this knowledge has allowed the micro-dairy concept to flourish.

St David's was built on a vision of creating premium quality dairy products through a paddock-to-plate approach. The dairy is a one-stop production, bottling and delivery shop. It employs 20 people and sources its milk from a farm located within 100 kilometres of Fitzroy, delivering its premium finished products to approximately 400 stockists. Its strengths are reflected in consistent sustainable revenue and profit growth over the last three years.

Commenting on the combination with Longtable, St David's founder, Ben Evans, said today from his Fitzroy facility: "We believe that people want and demand to know where their food comes from. This attention to integrity is a founding principle on which St David's has been based and the support of more than 400 customers demonstrates the value placed on this. We have worked closely with the farm that has been supporting us and we are sure that Longtable's ethos of genuinely partnering with farmers will further build the St David Dairy brand. St David's was a natural fit with Longtable, the owners of B.-d Farm Paris Creek. For our amazing farmers, staff and customers, it is awesome to know we have true custodians of our business and brand, and all it stands for."

Longtable Managing Director Laura McBain said: "St David Dairy is a truly premium brand embracing high quality produce, localisation and traceability; all important trends within the premium food sector. This acquisition provides Longtable with a quality beachhead into the Victorian milk market and diversifies our customer base to include a range of Australia's best restaurants and cafés. Importantly, it will also be part of our strategy to increase organic milk supply by providing an additional pathway to sale of our in-conversion milk."

Tony Robinson, Chair of Longtable said: "We have made outstanding progress since the acquisition of B.-d Farm Paris Creek, transitioning the company to high growth and capturing the value of its long-term opportunities. St David's is highly complementary to our current business, with strong scalable growth opportunities. Together with the strong leadership team, we have solid foundations to continue to pursue our strategic priorities."

Following completion, the founder of St David's, Ben Evans, will hold \$3 million of shares in Longtable, with half escrowed for 12 months and the other half for 24 months. St David's CEO, Mancel Hickey, formerly of Camperdown Powder, will continue in his role to drive the growth opportunities in the business.

Upon execution of the Share Purchase Agreement, the Company has paid a deposit of \$750,000 which is refundable in limited circumstances. The acquisition is subject to certain conditions precedent of a conventional nature.

### **Capital raising**

In conjunction with the proposed acquisition, the Company is pleased to advise that it has received commitments from professional and sophisticated investors for a Capital Raising (**Capital Raising**) of \$15 million by way of the issuance of up to 21,428,429 fully paid ordinary shares (**Shares**) in the Company at an issue price of \$0.70 (70 cents) per share. The commitments were well supported by new and existing shareholders.

The Capital Raising is proposed to be completed through a two-tranche placement, with the proposed issue of Tranche 1 shares to be conducted in accordance with the Company's current 15% placement capacity and Tranche 2 subject to shareholder approval. A general meeting of shareholders seeking approval for the issue of Tranche 2 shares is proposed to be held on or about 30 July 2018. Further details will be provided with the Notice of Meeting for this General Meeting. Below is a summary of the capital structure following the capital raising and proposed consideration shares being issued:

Current shares on issue	97,007,759
Tranche 1 shares – in accordance with Listing Rule 7.1	14,285,715
Tranche 2 shares – subject to shareholder approval	7,142,855
Shares proposed to be issued to vendor - subject to shareholder approval	4,285,714
Shares on issue following completion of transaction	122,722,043

The purpose of the Capital Raising is to acquire all the shares in St David's and provide for working capital and transaction costs:

- (a) The company proposes to acquire all of the shares in St David's for consideration of \$12.25 million cash and \$3.0 million shares,
- (b) the remaining balance of up to \$2.75 million will be used to fund the costs of the proposed transaction and capital raising, provide working capital for the Company and for further investment in St David's, business activities undertaken by the Company or investment by the Company in other companies.

Bell Potter Securities Limited has acted as Lead Manager for the Capital Raising.

Below is an indicative timetable for completion of the Proposed Transaction and Capital Raising:

Event	Date
Allotment of Tranche 1 Capital Raising	29 June 2018
General meeting held approving issue of Shares under Proposed Transaction and other matters	30 July 2018
Allotment of Tranche 2 Capital Raising	1 August 2018
Completion of Proposed Transaction	1 August 2018

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