
TasFOODS LTD

54 Tamar St, Launceston.
PO Box 425, Launceston, TAS, 7250.
(03) 6331 6983
admin@tasfoods.com.au

ABN 53 084 800 902 ACN 084 800 902

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ASX Release

TasFoods to commence rights issue to complete Betta Milk acquisition

- TasFoods completes due diligence on Acquisition
- Betta Milk shareholders approve the sale transaction
- Confirmation of non-renounceable rights issue to raise \$8 million to fund Acquisition
- Rights issue fully underwritten by Wentworth Global Capital Partners

TasFoods Ltd (ASX: TFL) ("TasFoods", "the Company") is pleased to announce it has successfully completed its due diligence to acquire the milk processing assets and brands of The Betta Milk Co-Operative Society Limited ("Betta Milk", "Acquisition")¹. The shareholders of Betta Milk voted yesterday to approve the sale.

The cost of the Acquisition will be approximately \$11.2 million in cash (net of completion adjustments). TasFoods will launch its previously announced non-renounceable rights issue at an issue price of \$0.12 per new fully paid ordinary TasFoods share ("New Shares") to raise approximately \$8 million (before costs and expenses) ("Rights Issue" or "Offer") on Thursday, 20 June 2019. The proceeds of the Offer will be used to partially pay for the Acquisition, as well as to fund the costs of the Rights Issue.

The acquisition of Betta Milk's milk processing assets (and brands) will strengthen TasFoods' existing dairy business and is expected to lead to significant revenue opportunities and operational synergies. The Acquisition will add to TasFoods' expected positive EBITDA from existing operations in FY2019.²

Betta Milk, established in 1956, processes approximately 10 million litres of milk each year and has market shares of 17% of Tasmanian fresh milk sales and 37% of branded milk sales. In FY2019² the Betta Milk business is expected to deliver net sales revenue of approximately \$16.7 million and a normalised EBITDA of approximately \$800,000 before synergy benefits and growth opportunities are realised, excluding one-off integration costs.

Details of the Offer

The issue price for New Shares under the Offer is \$0.12 per New Share ("Issue Price"). Under the Rights Issue, New Shares will be offered to all shareholders who are, as at 7pm (Sydney

¹ For further information in relation to the Acquisition, please see the Company's ASX announcement dated 13 May 2019.

² TasFoods completes its financial year on 31 December 2019; Betta Milk completes its financial year on 30 June 2019.

time) on 25 June 2019 ("Record Date"), registered holders of shares with registered addresses in Australia or New Zealand ("Eligible Shareholders").

Eligible Shareholders will be offered 1 New Share at the Issue Price for every 3.099 fully paid ordinary shares that they hold on the Record Date ("Entitlement"). Eligible Shareholders will also be able to apply for New Shares in excess of their Entitlement ("Additional New Shares").³

The Rights Issue is non-renounceable. This means that shareholders' rights to subscribe for New Shares under the Rights Issue are not transferable. The Rights Issue is expected to raise approximately \$8 million (before costs and expenses) and is fully underwritten by Wentworth Global Capital Partners Pty Ltd ("Underwriter").

Indicative Timetable

The anticipated timetable for the Rights Issue is as follows:

Event	Date
Lodgement of Appendix 3B and cleansing notice with ASX	Thursday, 20 June 2019
"Ex" date (date from which Shares trade without an Entitlement)	Monday, 24 June 2019
Record date for the Rights Issue (Record Date)	7pm, Tuesday, 25 June 2019
Despatch of Offer Booklet and Entitlement and Acceptance Forms	Friday, 28 June 2019
Rights Issue opens	Monday, 1 July 2019
Rights Issue closes (Closing Date)	5pm, Friday, 12 July 2019
Trading in New Shares (on a deferred settlement basis) starts	Monday, 15 July 2019
Announcement of shortfall (if any) under the Rights Issue	Wednesday, 17 July 2019
Issue of New Shares under the Rights Issue	Friday, 19 July 2019
Trading of New Shares (on a normal settlement basis) starts	Monday, 22 July 2019

Note: Times and dates shown above are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, the Listing Rules and the Underwriter's consent, to vary the dates of the Rights Issue without prior notice, including by extending the Rights Issue or accepting late applications, either generally or in particular cases, or to withdraw the Rights Issue. The commencement of quotation of New Shares is subject to confirmation from ASX. References in the above noted Rights Issue timetable to "New Shares" includes a reference to "Additional New Shares" if the context requires.

An offer booklet, including a personalised entitlement and acceptance form will be sent to shareholders on or about 28 June 2019. The offer documentation will also include a detailed investor presentation.

For further information in relation to the Rights Issue please refer to the offer booklet which

³ Please note that Additional New Shares will only be allocated to shareholders if there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlement or from New Shares that would have been offered to Ineligible Shareholders had they been eligible to participate in the Rights Issue.

