

TASFOODS LTD

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ASX RELEASE

25 August 2020

Equity Raising to raise up to approximately \$4.1 million TasFoods Ltd (ASX: TFL)

Key Points

- Placement to institutional, professional and sophisticated investors to raise approximately \$650,000 at \$0.085 per share
- Accelerated non-renounceable entitlement offer to raise up to \$3.4 million, partly underwritten to \$680,000
- Funds to be used to support the Company's new strategic direction to be implemented following completion of the Strategic Health Check review commenced by KPMG in August 2020
- Equity raising is supported by the Company's substantial shareholders, CVC Limited and Jan Cameron

TasFoods Ltd (ASX: TFL) (Company) intends to conduct an equity raising (Equity Raising) via a placement to institutional, professional and sophisticated investors to raise \$650,000 (Placement) and a 3 for 20 partially underwritten accelerated non-renounceable entitlement issue of new ordinary shares in the Company (New Shares) to raise up to \$3.4 million (Entitlement Offer).

The offer price for the Placement and the Entitlement Offer will be \$0.085 per share (Offer Price). The Offer Price represents:

- a 10% discount to the previous 30 day volume weighted average price (VWAP) of the Company's shares traded on the ASX up to and including Monday, 24 August 2020; and
- a 19% discount to the last traded price of the Company's shares on Monday, 24 August 2020 (\$0.105).

Under the Entitlement Offer, eligible shareholders with a registered address in Australia and New Zealand will be able to subscribe for 3 new ordinary shares in the Company for every 20 existing shares held at 7.00pm (AEST) on Thursday, 27 August 2020 (Record Date) at the Offer Price (Entitlements).



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The Company expects to raise up to approximately \$4.1 million from the Placement and the Entitlement Offer combined, with up to 48.6 million new fully paid ordinary shares to be issued in total under the Placement and Entitlement Offer, assuming the full amount is raised. Shares issued under the Equity Raising will rank equally with existing shares. New TFL shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

The Company faced some challenging trading conditions in the first half of 2020 with market volatility resulting from the closure of much of the food service sector during the early period of COVID-19. Since then the Company has experienced Board renewal and commenced a strategic review to ensure the business operations are positioned to grow in the changed economic environment in which it now operates.

The proceeds of the Entitlement Offer will be applied to support the implementation of the Company's new strategic direction following completion of the Strategic Health Check review commenced by KPMG in August 2020, including funding investment in equipment and infrastructure to support growth and new products, market support for new product launches, paying down the Company's overdraft facility and general working capital support.

The Equity Raising is supported by the Company's substantial shareholders, CVC Limited and Jan Cameron (via her associated entities) who have each committed to take up their full entitlements in the Entitlement Offer. In addition, CVC Limited has committed to participate in the Placement and Elsie Cameron Foundation Pty Limited ATF Elsie Cameron Foundation an entity associated with Jan Cameron, has agreed to partially underwrite the Entitlement Offer up to value of \$680,000. The underwriting obligations are capped at an amount that would give Jan Cameron (and her associated entities) voting power in TasFoods of no more than a 19.99% following completion of the Equity Raising. Ben Swain (a director of the Company) is also a director of the Elsie Cameron Foundation.

Equity raising details

The Entitlement Offer has two components:

- an accelerated component (**Accelerated Entitlement Offer**) which will be made to eligible institutional, professional and sophisticated shareholders as determined by the Company (**Eligible Accelerated Shareholders**); and
- a non-accelerated component (**Retail Entitlement Offer**) which will be made to remaining eligible institutional, professional or sophisticated shareholders and retail shareholders (who were not determined to be Eligible Accelerated Shareholders entitled to participate in the Accelerated Entitlement Offer) (**Eligible Retail Shareholders**).

The Company will offer the shares under the Entitlement Offer for issue without disclosure to investors under section 708AA(2)(f) *Corporations Act 2001* (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Instrument 2016/84**).

Accelerated Entitlement Offer and Placement

Eligible Accelerated Shareholders in Australia and New Zealand will be invited to participate in the Accelerated Entitlement Offer which is being conducted today, Tuesday, 25 August 2020. Entitlements not taken up by Eligible Accelerated Shareholders by the close of the Accelerated Entitlement Offer will be placed pursuant to the underwriting arrangements noted above. TFL's shares will remain in a trading halt pending completion of the Accelerated Entitlement Offer.

The Placement will be conducted concurrently with the Accelerated Entitlement Offer.

Retail Entitlement Offer

Eligible Retail Shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Accelerated Entitlement Offer. The Retail Entitlement Offer is expected to open on Tuesday, 2 September 2020 and close at 5.00pm (AEST) on Friday, 25 September 2020.

The Company will notify shareholders as to whether they are eligible to participate in the Retail Entitlement Offer. An information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer will be sent to Eligible Retail Shareholders on or about 1 September 2020. A copy of the Information Booklet will also be lodged with ASX on or about 1 September 2020. Those shareholders who the Company determines to be ineligible shareholders will also be notified by the Company.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of the Entitlements they would have received had they been eligible.

The Retail Entitlement Offer will include a top up facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional shares in the Retail Entitlement from a pool of those not taken up by other Eligible Retail Shareholders or those that would have otherwise been offered to ineligible shareholders had they been eligible to participate. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the top up facility.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any shortfall shares remaining after the close of the Entitlement Offer (and completion of the top up facility, if any), including those Entitlements of ineligible shareholders not taken up, within three months after the closing date of the Retail Entitlement Offer to either existing or new shareholders at their discretion at a price not less than the Offer Price under the Entitlement Offer.

Further information

Further details of the Equity Raising are set out in the Investor Presentation also lodged with the ASX today. The Investor Presentation contains important information including key risks with respect to the Equity Raising.

This announcement has been authorised for release to ASX by the Company's Board of Directors.

For further information, please contact Janelle O'Reilly, Company Secretary, on +61 3 6331 6983 between 8:00am to 5:00pm (Tasmania time) Monday to Friday during the offer period. Alternatively, consult your professional adviser.

Equity Raising timetable

Activity	Date
Trading halt and announcement of Entitlement Offer	Tuesday, 25 August 2020
Placement and Accelerated Entitlement Offer conducted	Tuesday, 25 August 2020
Announcement of the completion of Placement and Accelerated Entitlement Offer and trading resumes on an ex-entitlement basis	Wednesday, 26 August 2020
Record Date for Entitlement Offer (7pm AEST)	Thursday, 27 August 2020
Settlement of Placement and Accelerated Entitlement Offer	Friday, 28 August 2020
Allotment and issue of Shares under the Placement and issue of New Shares under the Accelerated Entitlement Offer	Monday, 31 August 2020
Information Booklet and Entitlement & Acceptance Form despatched to Eligible Retail Shareholders	Tuesday, 1 September 2020
Retail Entitlement Offer opens	Tuesday, 1 September 2020
Quotation of Shares issued under the Placement and New Shares issued under the Accelerated Entitlement Offer and trading commences trading on a normal basis	Wednesday, 2 September 2020
Closing date for acceptances under Retail Entitlement Offer (5pm AEST)	Friday, 25 September 2020
Announcement of results of Retail Entitlement Offer and notification of any shortfall	Wednesday, 30 September 2020
Allotment and issue of New Shares under the Retail Entitlement Offer and application for quotation of New Shares	Friday, 2 October 2020
Quotation of New Shares issued under the Retail Entitlement Offer and trading commences trading on a normal basis	Monday, 5 October 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 7 October 2020

This Timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriter, subject to the Listing Rules. Any variation or extension to the timetable may delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Equity Raising any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.