
TASFOODS LTD

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ASX Announcement

25 August 2020

Section 708AA(2)(f) cleansing notice – issue of shares under Entitlement Offer TasFoods Ltd (ASX: TFL)

This notice is given by TasFoods Ltd (**ASX: TFL**) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as notionally modified by *Australian Securities and Investment Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (**Legislative Instruments**). Where applicable, references in this notice to sections of the Act are to those sections as modified by the Legislative Instruments.

The Company has announced an equity raising to raise up to approximately \$4.1 million by way of a placement to institutional, professional and sophisticated investors to raise approximately \$650,000 (**Placement**) and a partially underwritten accelerated non-renounceable entitlement offer to raise up to \$3.4 million (**Entitlement Offer**) of 3 fully paid ordinary shares in the Company (**New Shares**) for every 20 fully paid ordinary shares in the Company held as at 7.00pm (AEST) on Thursday, 27 August 2020 by shareholders with a registered address in Australia and New Zealand.

The Entitlement Offer is partially underwritten by Elsie Cameron Foundation Pty Limited ATF Elsie Cameron Foundation to the value of approximately \$680,000, (**Underwriter**), subject to the terms of an underwriting agreement. The Underwriter is an entity associated with Jan Cameron, who, along with her associates is currently a substantial shareholder in the Company. Ben Swain (a director of the Company) is also a director of the Elsie Cameron Foundation.

Further details regarding the Entitlement Offer are set out in the investor presentation that has been lodged with the ASX today and the information booklet that the Company expects to release and dispatch to eligible shareholders in respect of the Retail Entitlement Offer on or about 1 September 2020 (**Information Booklet**).

As required by section 708AA(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company gives the following notice:

- (a) the New Shares are being issued without disclosure to investors under Part 6D.2 of the *Corporations Act* as modified by Instrument 2016/84;



- (b) this notice is given under section 708AA(2)(f) of the Corporations Act as modified by Instrument 2016/84;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in section 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act;
- (e) the potential effect that the issue of New Shares will have on the control of TFL, and the consequences of that effect, will depend on a number of factors, including the level of participation of eligible shareholders taking up their entitlements and applying for shares under the top up facility, the number of shares held by ineligible shareholders and the underwriting arrangements in place for the Entitlement Offer. However, given the size of the Entitlement Offer, composition of TFL's share register and the structure of the Entitlement Offer as a pro-rata offer, TFL does not expect the Entitlement Offer to have any material effect or consequence on the control of TFL. The details and potential effect that the Entitlement Offer will have on the control of the Company is summarised as follows
 - (i) Given the structure of the Entitlement Offer as a pro rata offer, if all eligible shareholders take up their entitlement, each eligible shareholder's ownership interest (and voting power) in the Company will remain largely unchanged as the change in percentage holdings in the Company would arise from the ineligibility for some shareholders to participate in the Entitlement Offer. Most shareholders will however be diluted on the issue of shares under the Placement.
 - (ii) To the extent that any eligible shareholder fails to take up their entitlement for New Shares under the Entitlement Offer, that eligible shareholder's percentage holding in the Company will be diluted by those other eligible shareholders who take up some, all or more than their entitlement (i.e. by subscribing for shortfall shares under the top-up facility described in the Information Booklet). The voting power of ineligible foreign shareholders will also be diluted.
 - (iii) Eligible shareholders that apply for additional New Shares under the top up facility (under which any shortfall between applications received and the number of shares proposed to be issued under the Entitlement Offer may be applied for by those who have accepted their entitlements in full) may increase their interests beyond their entitlement.
 - (iv) Certain shareholders have indicated their intent to participate in the Entitlement Offer and provided commitments to take up their full entitlements in the Entitlement Offer, being CVC Limited and entities associated with Jan Cameron (**Jan Cameron Shareholders**). In addition to taking up their entitlements:
 - (A) CVC Limited has committed to participate in the Placement for the amount of \$650,000; and
 - (B) the Underwriter (being one of the Jan Cameron Shareholders) has agreed to partially underwrite the Entitlement Offer for such number of New Shares equal to:

- (I) a total subscription price of \$680,000 at \$0.085 per Share; or
 - (II) the 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 Placement and Entitlement Offer,whichever is lower.
- (v) Given the Entitlement Offer is not fully underwritten, the impact that the Entitlement Offer will have on the control of the Company is unknown and will depend upon total subscriptions from eligible shareholders under the Entitlement Offer. By way of example, based on the commitments from the abovementioned shareholders to participate in the Entitlement Offer and Placement and the commitment of the Underwriter:
 - (A) if approximately \$2 million were raised following completion of the Entitlement Offer and the Placement (and approximately 23.7 million New Shares are issued):
 - (I) CVC Limited may increase its voting power from approximately 14.04% at the date of this notice (prior to the equity raising) to approximately 17.43%;
 - (II) the Jan Cameron Shareholders may increase their collective voting power from approximately 17.93% at the date of this notice (prior to the equity raising) to approximately 19.98%; and
 - (B) if the full \$4.1 million were raised following completion of the Entitlement Offer and the Placement (and approximately 48.6 million New Shares are issued) (including via the underwriting commitment):
 - (I) CVC Limited may increase its voting power from approximately 14.04% at the date of this notice (prior to the equity raising) to approximately 16.08%;
 - (II) the Jan Cameron Shareholders may increase their collective voting power from approximately 17.93% at the date of this notice (prior to the equity raising) to approximately 19.99%.

While the total number of TFL shares that the Underwriter may ultimately acquire under its underwriting commitment will depend on the extent to which eligible shareholders take up their entitlements under the Entitlement Offer, the Jan Cameron Shareholders' collective shareholding and voting power in TFL will not at any time exceed 19.99% following completion of the Placement and Entitlement Offer.

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

For more information, please contact:

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