
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

ASX Announcement: 25 November 2020

Equity placement to support strategic growth initiatives TasFoods Ltd (ASX: TFL)

The Board of TasFoods is pleased to announce an equity placement to AgFood Opportunities Fund, a fund managed by AgFood Fund Pty Ltd through the issuing of 30 million new shares at a price of \$0.10 to raise \$3 million to support the company's strategic growth objectives for its poultry and dairy operations.

The AgFood Opportunities Fund Pty Ltd (AgFood) was established in 2020 to invest across the global agriculture and food sectors with 10-15 listed holdings and scope for 5-10 private investments.

AgFood Executive Chairman Paul Jenz commented *"AgFood Opportunities Fund is very pleased to have the opportunity to invest in TFL as one of its foundation investments. TFL meets all the essential criteria of a scalable niche, with an effective management team and Board, and an opportunity to put investment to work for a step change in growth whilst ensuring capital preservation is front of mind. We see the Company's strong presence in Tasmanian protein supply chains, its stable of everyday and premium brands along with its established East Coast distribution network as a very attractive investment opportunity"*.

AgFood has a long-term investment mandate and has committed to support the TFL management and Board in the execution of the Company's growth strategy. Part of this support will be offering access to AgFood's pipeline of projects which are relevant to TasFoods.

Whilst the company had no near-term funding requirements the Board considered the unsolicited AgFood proposal in light of a number of factors that included;

- the recent strategy work undertaken by the Board that identified capital expenditure opportunities to support the poultry division's growth plans to expand national sales for the Nichols Poultry super premium branded chicken through an improved brand offering that better aligns with consumer expectations through easily identified claims;
- planned new product development initiatives to expand the offering in ready to cook chicken products and to develop a range of ready to eat products to meet a growing consumer demand for product convenience;
- planned investment to strengthen the digital media strategy of the business to support growth in online sales;
- the ability to broaden the TasFoods share register; and
- AgFood Fund's patient, supportive and long-term mandate with committed aftermarket support.

Having considered these factors, the TasFoods Board resolved to issue 30,000,000 new TasFoods shares under the Company's remaining LR7.1 placement capacity to raise \$3.0 million at \$0.10 per share and has entered into a binding subscription agreement with AgFood. The placement shares are expected to be issued on Friday, 27 November 2020. The Company's last trading price at market close on 24 November 2020 (the last trading day prior to this announcement) was \$0.10.

The funds raised from the placement will be principally applied to further develop the Company's new strategic direction that has evolved from the recent Board strategic review some of which have been noted above, and in particular, will accelerate the implementation of the following key initiatives:

- Expansion of the Company's poultry operations through capital investment to grow the super premium branded chicken offering in national markets;
- Acceleration of new product development initiatives to meet market demand for convenience through ready to cook and ready to eat meal offerings;
- Investment in digital marketing to support growth in online sales; and
- General working capital.

TasFoods notes that certain Directors of AgFood are Directors of PAC Partners Securities Pty Ltd (PAC Partners). PAC Partners Securities – Corporate is currently TasFoods retained corporate adviser. There were no additional payments to PAC Partners associated with undertaking the placement.

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

TasFoods contact

Jane Bennett
Managing Director and CEO
+61 3 6331 6983