

11 June 2024

## Operations Update and Proposed Underwritten \$6m Rights Issue

### Operations Update

Farm Pride Foods Ltd (ASX: FRM) ('**FRM**' or '**the Company**') advises that since the Company's announcement on 7 June 2024 that it continues to work collaboratively with the Victorian Department of Agriculture (**Vic Ag**) as part of its proactive approach to monitoring the Avian Influenza (**AI**) situation in Meredith and Lethbridge, Victoria and the surrounding control regions.

Following additional testing carried out at the Company's Rocks site, located in the Lethbridge area, which has approximately 240,000 birds (approximately 24% of Farm Pride's total production capacity), that site has returned positive tests for AI. This latest positive test result brings the total of the Company's production capacity effected by AI to approximately 36%. The Company has no other farms in the Lethbridge area.

The Company will seek compensation from the Emergency Animal Disease Compensation Scheme arising from the disposal of these birds.

All of the Company's operations outside the Lethbridge area continue to operate as normal.

The Company has commenced an operational review of all areas of its activities, in order to reduce costs during a period of reduced egg production over coming months. Details of this review will be provided in the Company's June 2024 Quarterly Activity Report.

### Proposed Underwritten Rights Issue

The Company announces that it proposes to conduct a non-renounceable fully underwritten pro-rata entitlement offer (**Rights Issue**) to raise approximately \$6.17 million before costs. The Rights Issue will provide eligible shareholders with the opportunity to subscribe for three (3) new fully paid ordinary shares (**New Shares**) for every seven (7) fully paid ordinary shares held at a record date to the determined based on the lodgement date of the Rights Issue offer document. The rights issue is proposed to be priced at \$0.10 per share (10 cents) per share. It is intended that eligible shareholders who accept their Rights Issue entitlements in full, will have the ability to subscribe for up to a further 100% of their Rights Issue entitlement (subject to applicable laws).

The Company has entered into a binding but conditional terms sheet (**Terms Sheet**) with Willow Heights Pty Ltd ACN 005 630 277, an entity associated with its Non-Executive Chairman, Mr George Palatianos (**Willow Heights**), for an underwriting of the Rights Issue by Willow Heights (**Underwriter**). The Terms Sheet is subject to the execution of a formal underwriting agreement, which the Company is progressing as a priority.

Funds raised under the Rights Issue will be applied to supporting the Company's working capital during the recovery from the impact of AI on the Lethbridge farms, expanding the Company's rearing and laying farming operations, capital expenditure at the Keysborough grading floor and product plant and other working capital requirements (including meeting the costs of the Rights Issue).

## Director Loan Conversions

It is noted that interests associated with Directors, Mr Darren Lurie and Mr George Palatianos, have agreed to convert some or all of their existing loans provided to the Company at the same price as the Rights Issue offer price. In the case of Mr Palatianos, this is subject to compliance with section 606 of the Corporations Act limits (i.e. his holding not exceeding 20%). The conversion of these loans will be subject to shareholder approval to be sought at a forthcoming shareholder meeting (**General Meeting**) with further details to be included in a Notice of Meeting (**Notice**) which will be sent to shareholders in due course. It is proposed that the conversion of the Directors' loans will occur prior to completion of the Rights Issue, however, after the Rights Issue record date. Accordingly, the shares issued to Directors on conversion of their loans will not carry entitlements to participate in the Rights Issue.

Further details with respect to the Rights Issue are set out in the Appendix 3B released at or about the same time as this announcement.

An indicative timetable for the Rights Issue and General Meeting is set out below (subject to change):

|   |                        |
|---|------------------------|
| Release of Appendix 3B for the Rights Issue<br>Announcement of Rights Issue   | Tuesday 11 June 2024   |
| Lodgement of Notice of General Meeting with ASX and sent to shareholders  | Tuesday 25 June 2024   |
| Lodgement of Rights Issue Offer Documents with ASX<br>Release of section 708AA cleansing notice   | Tuesday 25 June 2024   |
| Ex-Date   | Thursday 27 June 2024  |
| Record Date for identifying eligible shareholders (7.00pm Melbourne time)   | Friday 28 June 2024    |
| FRM sends Offer Booklet and personalised entitlement and acceptance forms to eligible shareholders and announces this has occurred<br>Rights Issue opening date   | Wednesday 3 July 2024  |
| Last day to extend the Closing Date (before noon (Melbourne time))  | Thursday 25 July 2024  |
| General Meeting to approve loan conversions   | Friday 26 July 2024    |
| Conversion of Director loans (as described above)   | Monday 29 July 2024    |
| Closing Date (5.00pm Melbourne time)  | Tuesday 30 July 2024   |
| Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market open   | Wednesday 31 July 2024 |
| Last day for FRM to announce results of the Rights Issue, issue New Shares taken up under the Rights Issue and to lodge an Appendix 2A with ASX to notify ASX of the issue of New Shares and apply for their quotation (before noon (Melbourne time)) | Tuesday 6 August 2024  |
| Last day for issue of shares to Underwriter   | Tuesday 20 August 2024 |

*\* The above timetable is indicative only and is accordingly subject to change.*

Further details for the proposed Rights Issue will be included in the Rights Issue Offer Booklet proposed to be lodged on or about Tuesday 25 June 2024.

This announcement has been authorised by the Board of Farm Pride Foods Ltd.

**Contact details**

Mr Darren Lurie  
Managing Director

T 61 3 9798 9207  
E [companysecretary@farmpride.com.au](mailto:companysecretary@farmpride.com.au)

**About Farm Pride (FRM)**

Farm Pride is a leading ASX listed vertically integrated egg company that farms, processes and markets a range of egg and egg related products. FRM continues to develop its farming business to meet the markets evolving requirement for cage free eggs. FRM maintains strong relationships in the supermarket channel and with industrial food manufacturers. FRM is also committed to maintaining the highest level of environmental, social and corporate governance responsibility and is the only egg company in Australia to manufacture its own egg cartons using recycled newsprint and cardboard. For more information, visit FRM's website.