

**Farm Pride Food Ltd.**  
ABN: 42 080 590 030

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VIC 3173 Australia

1800 OZ EGGS  
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**FARM PRIDE FOODS LIMITED**  
**[ABN 42 080 590 030]**  
**(“THE COMPANY”)**

**RIGHTS ISSUE OFFER BOOKLET**

A non-renounceable pro rata rights issue offer of three (3) fully paid ordinary new shares (**New Shares**) for every seven (7) fully paid ordinary shares (**Shares**) held by shareholders of the Company with a registered address in Australia, New Zealand, Germany, Malaysia, Singapore, in the province of British Columbia of Canada or in any other jurisdiction as at the Record Date (being the date set out in the timetable on page 3 of this Offer Booklet) (**Eligible Shareholders**) at an issue price of \$0.10 (ten cents) per New Share to raise approximately \$6.17 million before costs (**Offer or Rights Issue**).

The Offer is fully underwritten by Willow Heights Pty Ltd [ACN 005 630 277] (**Underwriter**). Details of the **Underwriting Agreement** between the Company and the Underwriter are set out in Section 1.4.

This booklet (**Offer Booklet**) is an important document and requires your immediate attention. It should be read carefully and in its entirety before deciding to accept the Offer. If you do not understand the contents of this Offer Booklet, you should consult your stockbroker, accountant or other professional adviser.

**The New Shares offered under this Offer Booklet are considered highly speculative**



## **IMPORTANT NOTICES**

This Offer Booklet is dated 1 July 2024. Capitalised terms in these important notices have the meaning given to them in this Offer Booklet.

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**). This Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet is an important document and should be read in its entirety before deciding to participate in the Offer. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for New Shares in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Offer set out in detail in this Offer Booklet.

### **Offer jurisdictions**

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the New Shares, or otherwise permit the public offering of the New Shares, outside Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and seek your own advice on such restrictions. Non-compliance with restrictions may contravene applicable securities laws. The Company reserves the right (at its discretion) to accept an Entitlement and Acceptance Form from a shareholder if it is satisfied that the making and acceptance of the Entitlement and Acceptance Form complies with the requirements of the relevant jurisdiction.

The Offer may be made to and accepted by Eligible Shareholders resident in certain jurisdictions outside Australia. Further details and applicable requirements are set out in Section 8.

### **No nominee for foreign shareholders**

The Company has not appointed a nominee for the purposes of section 615 of the Corporations Act as the Offer will be made to all shareholders at the Record Date, irrespective of their jurisdiction.

### **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer not contained in this Offer Booklet. Any information or representation in connection with the Offer that is not contained in this Offer Booklet may not be relied upon as having been authorised by the Company or any of its officers.

### **Risks**

Investors should consider an investment in the New Shares and the Company generally is speculative. Refer to Section 5 for a summary of general and specific risk factors that may affect the Company.

### **Monetary amounts**

Except where otherwise stated, all monetary amounts in this Offer Booklet are in Australian dollars (AUD) unless otherwise stated

### **Dates and times**

All dates and times in this Offer Booklet are dates and times in Melbourne, Victoria, Australia unless otherwise stated.

### **Announcements**

The Company makes announcements to ASX from time to time which can be obtained from the Company's announcements page on the ASX website [www.asx.com.au](http://www.asx.com.au), search code "FRM".

## SUMMARY OF THE OFFER

Capitalised terms in this summary of the Offer have the meaning given to them in this Offer Booklet.

### KEY INVESTMENT DETAILS

New Share issue price	\$0.10 (ten cents)
Ratio of entitlement to New Shares	Three (3) New Shares for every seven (7) Shares held at the Record Date (3:7 basis)
Existing Shares on issue	143,857,856
New Shares under the Offer (subject to rounding)	61,653,367
Amount to be raised under the Offer (before costs)	Approximately \$6.17 million (maximum)

### KEY DATES

Announcement of the Offer	11 June 2024
Release of Appendix 3B (updated) to ASX	28 June 2024
Release of section 708AA cleansing notice Announcement of this Offer Booklet to ASX	1 July 2024
Ex-Date	3 July 2024
Record Date for identifying Eligible Shareholders (7.00pm Melbourne time)	4 July 2024
The Company sends Offer Booklet and personalised entitlement and acceptance forms to Eligible Shareholders and announces this has occurred Offer opening date	9 July 2024
Last day to extend the Closing Date (before noon (Melbourne time))	30 July 2024
Closing Date (5.00pm Melbourne time)	2 August 2024
Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market open	5 August 2024
Last day for the Company to announce results of the Offer, issue New Shares taken up under the Offer 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))	9 August 2024
Last day to issue New Shares to the Underwriter	23 August 2024

*The dates in the table above are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to amend this indicative timetable by making an announcement to ASX. In particular the Company reserves the right to extend the Closing Date or withdraw the offer without notice by making an announcement to ASX. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of New Shares.*

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**USE OF FUNDS**

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Funds raised under the Offer will be applied to supporting the Company's working capital during the recovery from the impact of avian influenza 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 Offer).

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**CAPITAL STRUCTURE**

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The share capital of the Company following completion of the Offer is described below:

	<b>Number</b>	<b>%</b>
Existing Shares	143,857,856	70%
New Shares under the Offer (subject to rounding)	61,653,367	30%
<b>Total Shares following completion of the Offer</b>	<b>205,511,223</b>	<b>100%</b>

In addition to the Offer, the Company proposes issuing the following Shares subject to shareholder approval which is to be sought at an extraordinary general meeting scheduled to be held on or about 31 July 2024 (**Shareholder Meeting**):

- An aggregate of up to 10,350,000 Shares on conversion of some or all amounts owed by the Company under existing loans provided to the Company by an associated entity of Mr Darren Lurie (\$200,000, being 2,000,000 Shares at the Offer price of \$0.10 (10 cents)) and an associated entity of Mr George Palatianos (up to \$835,000, being up to 8,350,000 Shares at the Offer price of \$0.10 (10 cents)), each of whom are directors of the Company (**Directors**).
- 1,090,000 Shares to Mr Darren Lurie (and/or his nominee(s)) as incentive securities.

Further details will be set out in the notice of meeting to be released to ASX to convene the Shareholder Meeting. If shareholder approval is obtained, the Shares are proposed to be issued prior to the Closing Date. No entitlement to New Shares under the Offer will arise in respect of Shares approved at the Shareholder Meeting.

For indicative purposes, the share capital of the Company following completion of the Offer and issue of Shares for which shareholder approval is being sought at the Shareholder Meeting is set out in the table below:

	<b>Number</b>	<b>%</b>
Existing Shares	143,857,856	66.31%
New Shares under the Offer (subject to rounding)	61,653,367	28.42%
Shares on conversion of Director loans (maximum)	10,350,000	4.77%
Shares as incentive securities	1,090,000	0.50%
<b>Total Shares following completion of the Offer</b>	<b>216,951,223</b>	<b>100%</b>

The tables assume that the Offer is fully subscribed, noting that the Underwriter has agreed to fully underwrite the Offer. A summary of the material terms of the Underwriting Agreement is set out in Section 1.4.

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**RISKS**

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Section 5 of this Offer Booklet contains a summary of some of the key risks associated with an investment in the Company, including risks associated with the Offer, risks associated with the business and operations of the Company and risks of a more general nature, such as economic and market conditions.

You should read Section 5 of this Offer Booklet carefully before deciding to apply for New Shares.

## 1. DETAILS OF THE OFFER

### 1.1 The Offer

Farm Pride Foods Limited [ABN 42 080 590 030] (the Company) is making a non-renounceable pro-rata rights issue offer of three (3) New Shares for every seven (7) Shares held by Eligible Shareholders at an issue price of \$0.10 (ten cents) per New Share to raise approximately \$6.17 million (before costs).

New Shares will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the existing Shares from the date of their issue. Fractional entitlements of 0.5 or more will be rounded up. Fractional entitlements of less than 0.5 will be rounded down.

The Offer is non-renounceable and rights to entitlements are not able to be traded or transferred and, accordingly, there is no ability to trade rights on ASX.

The Offer is fully underwritten by Willow Heights Pty Ltd [ACN 005 630 277] (the Underwriter). A summary of the Underwriting Agreement between the Company and the Underwriter is set out in Section 1.4. New Shares not taken up by Eligible Shareholders will form the shortfall of the Offer (**Shortfall**). The New Shares under the Shortfall are to be allocated in accordance with the policy described in Section 1.3.

The Offer is being made under section 708AA of the Corporations Act. This Offer Booklet is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

### 1.2 Timetable

The indicative timetable for the conduct of the Offer is set out in the table below:

Announcement of the Offer	11 June 2024
Release of Appendix 3B (updated) to ASX	28 June 2024
Release of section 708AA cleansing notice Announcement of this Offer Booklet to ASX	1 July 2024
Ex-Date	3 July 2024
Record Date for identifying Eligible Shareholders (7.00pm Melbourne time)	4 July 2024
The Company sends Offer Booklet and personalised entitlement and acceptance forms to Eligible Shareholders and announces this has occurred Offer opening date	9 July 2024
Last day to extend the Closing Date (before noon (Melbourne time))	30 July 2024
Closing Date (5.00pm Melbourne time)	2 August 2024
Unless otherwise determined by ASX, New Shares quoted on a deferred settlement basis from market open	5 August 2024
Last day for the Company to announce results of the Offer, issue New Shares taken up under the Offer 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))	9 August 2024
Last day to issue New Shares to the Underwriter	23 August 2024

*The dates in the table above are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to amend this indicative timetable by making an announcement to ASX. In particular the*

*Company reserves the right to extend the Closing Date or withdraw the offer without notice by making an announcement to ASX. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of New Shares.*

### 1.3 Shortfall

New Shares under the Offer not taken up by Eligible Shareholders will form the Shortfall.

If you are an Eligible Shareholder and you apply for your full entitlement to New Shares under the Offer, you may also apply for more New Shares than the number shown in your Entitlement and Acceptance Form unless you are otherwise excluded from applying for and receiving New Shares from the Shortfall (for example, under the requirements of the Listing Rules). The application for more New Shares than the number shown in your Entitlement and Acceptance Form is an application for New Shares from the Shortfall. To apply for New Shares from the Shortfall, please complete the relevant section in your Entitlement and Acceptance Form (as required) and make payment of the full amount of your application for New Shares (including for the number of additional New Shares from the Shortfall applied for multiplied by \$0.10 (10 cents)). Please note that you will only be able to apply for New Shares from the Shortfall if you take up your full entitlement under the Offer.

The issue of New Shares from the Shortfall in response to applications from Eligible Shareholders will depend on there being sufficient New Shares forming the Shortfall. Allocations of New Shares from the Shortfall to each Eligible Shareholder shall, subject to the discretion of the Company in consultation with the Underwriter, be capped at 100% of the entitlement of that Eligible Shareholder to New Shares under the Rights Issue.

If the Offer is oversubscribed by Eligible Shareholders taking up their entitlements to New Shares and applications for New Shares from the Shortfall, applications for New Shares under the Shortfall from Eligible Shareholders will be scaled back at the discretion of the Directors having regard to a number of factors, including the shareholding at the Record Date of the Eligible Shareholder subscribing for New Shares from the Shortfall, the potential impact on control of the Company as a result of the allocation of New Shares from the Shortfall and the requirements of applicable law including the Corporations Act and the ASX Listing Rules.

There is no guarantee that Eligible Shareholders who apply for New Shares from the Shortfall will receive the number of New Shares applied for under the Shortfall.

If there remains a balance of New Shares under the Shortfall after the subscriptions for New Shares by Eligible Shareholders under the Offer and applications by Eligible Shareholders for New Shares from the Shortfall, each Eligible Shareholder shall receive all New Shares applied for under the Shortfall in full with any remaining New Shares from the Shortfall following allocation to Eligible Shareholders to be allocated by the Company.

The Company reserves the right to offer and issue New Shares from the Shortfall at its discretion within three (3) months after the Closing Date. The Company (in consultation with the Underwriter) may seek to place the remaining New Shares from the Shortfall during that period with unrelated professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act who are invited to subscribe. The Company may engage one or more third party brokers to assist in placement of the remaining New Shares forming the Shortfall and may pay a fee in respect of New Shares from the remaining Shortfall that are placed by a broker or brokers with unrelated investors.

No Eligible Shareholder or investor will be allocated New Shares from the Shortfall if the Company believes that may result in a breach of the Corporations Act, the Listing Rules or other applicable law.

### 1.4 Underwriting Agreement

The material terms of the Underwriting Agreement are summarised below:

- The Company has appointed Willow Heights Pty Ltd [ACN 005 630 277] (the **Underwriter**) to fully underwrite the Offer. The Underwriter is an associate of George Palatianos, a Director of the Company, and is accordingly a related party of the Company.
- The Underwriter is proposed to receive an aggregate fee of 6% of the total to be raised under the Offer, being an aggregate of \$369,920.

- The Company shall reimburse all direct costs and reasonable expenses incurred by the Underwriter that are associated with underwriting the Offer, subject to the Company providing its prior written consent.
- The Underwriter has the right to terminate the Underwriting Agreement in a range of circumstances as described below. Capitalised terms below not otherwise defined in this Offer Booklet are as defined in the Underwriting Agreement:
  - the Ordinaries Index Number or the Dow Jones Industrial Average is at any time more than 10% below its level as at the close of business on the Business Day immediately preceding the date of this Agreement;
  - the Company makes default under or is in breach of any of its material obligations under this Agreement and following consultation between the Company and the Underwriter, that failure is not remedied within 5 Business Days afterwards;
  - any warranty or representation by the Company in this Agreement ceases to be true in any material respect and, following consultation between the Company and the Underwriter, the matters rendering the warranty untrue are not remedied within 5 Business Days afterwards;
  - any material adverse change occurs in the financial position of the Company;
  - any director or Officer of the Company named in the Offer Booklet dies or is charged with or convicted of an indictable offence;
  - any material statement in the Offer Booklet is found to be or becomes misleading or deceptive or there is found to be a material omission from the Offer Booklet of material required by section 708AA of the Corporations Act;
  - the adoption or announcement by or on the authority of the government of the Commonwealth of Australia of:
    - any future change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in stocks and shares in Australia including but not limited to any change which is likely to materially and adversely affect interest rates not already announced or anticipated as at the date of this Agreement; or
    - any law or prospective law or other measure having the effect of restraining capital issues, corporate profits or foreign investment,and which, in either case, would materially and adversely affect the Offer;
  - any person who has previously consented to the inclusion of its, his or her name in the Offer Booklet or to be named in the Offer Booklet, withdraws that consent;
  - any material information supplied at any time by the Company (or any person on its behalf) to the Underwriter in respect of any aspect of the Offer was false or misleading;
  - any material contravention by the Company or an Officer of any of them of any provision of the Corporations Act, or the Listing Rules or any requirement of ASX or the ASIC or any governmental agency;
  - a resolution is passed or an order made by a Court of competent jurisdiction for the winding up of the Company, other than an order for the purpose of reconstruction or amalgamation made with the prior consent of the Underwriter;
  - a receiver or receiver and manager is appointed to all or any part of the assets or undertaking of the Company;

- the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intentions to do so;
  - the Company suspends payments of its debts or is unable to pay its debts within the meaning of the Corporations Act;
  - the Company is placed under external administration or an external administrator is appointed;
  - a provisional liquidator is appointed to the Company;
  - the Company fails to furnish a certificate in accordance with the requirements of the Underwriting Agreement; or
  - there is an outbreak of hostilities (whether or not war has been declared) not presently existing or a major escalation in existing hostilities occurs involving any one or more of the Commonwealth of Australia, the United States of America, any former Republic of the USSR, a member state of the European Union, the Peoples Republic of China, Taiwan, Japan, Indonesia, Iran or Iraq.
- The Company provides a wide-ranging indemnity to the Underwriter (and any officer, employee, consultant, agent or advisor of the Underwriter or any sub-underwriters appointed by the Underwriter) in a range of circumstances, including but not limited to breach by the Company of the Underwriting Agreement. The indemnity is subject to typical limitations including but not limited to that the Company does not provide an indemnity to the extent that the Underwriter (and/or any officer, employee, consultant, agent or advisor of the Underwriter or any sub-underwriters appointed by the Underwriter) is responsible for the breach.
  - The Underwriting Agreement otherwise contains terms typical for arrangements of this nature.

#### *Sub-underwriting arrangements*

In addition to taking up their entitlements (if any), entities associated with the Underwriter and the Non-Executive Chairman, George Palatianos, have entered into sub-underwriting arrangements with the Underwriter to sub-underwrite up to 100% of the Rights Issue. Pursuant to these arrangements, the following entities associated with the Underwriter and Mr Palatianos (each of whom are related parties of the Company) have agreed to acquire the following maximum number of Shares under their sub-underwriting commitments:

- G & C Nominees Pty. Ltd. [ACN 100 088 542] – up to the maximum of approximately 61,653,367 Shares, being 100% of the total Shares to be issued under the Rights Issue;
- Ackenberg Holdings Pty Ltd [ACN 612 312 268] – up to the maximum of approximately 61,653,367 Shares, being 100% of the total Shares to be issued under the Rights Issue;
- Ackenberg Holdings No 2 Pty Ltd [ACN 649 830 508] – up to the maximum of approximately 61,653,367 Shares, being 100% of the total Shares to be issued under the Rights Issue;
- Ackenberg Pty Ltd [ACN 078 350 697] – up to the maximum of approximately 61,653,367 Shares, being 100% of the total Shares to be issued under the Rights Issue; and
- Bait Of Brets Pty Ltd [ACN 005 630 277] – up to the maximum of approximately 61,653,367 Shares, being 100% of the total Shares to be issued under the Rights Issue.

At this time, the Underwriter has not determined the allocation of the Shortfall to these sub-underwriters, however, each sub-underwriter may potentially subscribe for 100% of the Shortfall (although no more than the actual Shortfall will be issued under the Underwriting Agreement and the sub-underwriting commitments).

The number of Shares that may be issued to the sub-underwriters will depend on participation under the Rights Issue (including applications under the Shortfall) and the discretion of the Underwriter to allocate the Shortfall to the sub-underwriters.



The Company is not paying any fee to any sub-underwriter. Details of the fee payable by the Company to the Underwriter is set out above in this Section 1.4.

The related party sub-underwriting commitments will automatically terminate if the Underwriting Agreement is terminated. A summary of the termination rights under the Underwriting Agreement are set out above. There are no other, separate termination rights in respect of sub-underwriting commitments.

## 2. USE OF FUNDS AND FINANCIAL IMPACT OF THE OFFER

### 2.1 Use of funds

As noted in Section 1.1 and on the basis that the underwriting described in Section 1.4 proceeds, the Offer will raise approximately \$6.17 million before costs. Funds raised under the Offer will be applied to supporting the Company's working capital during the recovery from the impact of avian influenza 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 Offer).

### 2.2 Costs of the Offer

The anticipated indicative costs of the Offer are set out in the table below:

Particulars	Amount (\$)
Fee to Underwriter	\$369,920
Legal, printing and postage	\$45,000
Regulatory (quotation) fees *	\$17,700
<b>TOTAL</b>	<b>\$432,620</b>

\* Assumes the Offer is fully subscribed and that 61,653,367 New Shares are issued and quoted.

### 2.3 Financial impact of the Offer

Noting that the Offer is fully underwritten, the Offer will increase the cash reserves of the Company by approximately \$5.74 million, being the maximum amount to be raised under the Offer of approximately \$6.17 million less the anticipated indicative costs of the Offer of \$432,620 as described in Section 2.2.

The Offer is not anticipated to impact the financial position of the Company other than as set out in Section 2.

## 3. CAPITAL STRUCTURE AND EFFECT ON CONTROL

### 3.1 Capital structure

#### Shares

The table below sets out the existing Share capital of the Company and the effect that the Offer will have on the share capital of the Company:

	Number	%
Existing Shares	143,857,856	70%
New Shares under the Offer (subject to rounding)	61,653,367	30%
<b>Total Shares following completion of the Offer</b>	<b>205,511,223</b>	<b>100%</b>

In addition to the Offer, the Company proposes issuing the following Shares subject to shareholder approval which is to be sought at the Shareholder Meeting:

- An aggregate of up to 10,350,000 Shares on conversion of some or all amounts owed by the Company under existing loans provided to the Company by an associated entity of Mr Darren Lurie (\$200,000, being 2,000,000 Shares at the Offer price of \$0.10 (10 cents)) and an associated entity of Mr George Palatianos (up to \$835,000, being up to 8,350,000 Shares at the Offer price of \$0.10 (10 cents)), each of the lenders being associated with directors of the Company and therefore related parties under Listing Rule 10.11.4.
- 1,090,000 Shares to Mr Darren Lurie (and/or his nominee(s)) as incentive securities.

Further details will be set out in the notice of meeting to be released to ASX to convene the Shareholder Meeting. If shareholder approval is obtained, the Shares are proposed to be issued prior to the Closing Date. No entitlement to New Shares under the Offer will arise in respect of Shares approved at the Shareholder Meeting.

For indicative purposes, the share capital of the Company following completion of the Offer and issue of Shares for which shareholder approval is being sought at the Shareholder Meeting is set out in the table below:

	Number	%
Existing Shares	143,857,856	66.31%
New Shares under the Offer (subject to rounding)	61,653,367	28.42%
Shares on conversion of Director loans (maximum)	10,350,000	4.77%
Shares as incentive securities	1,090,000	0.50%
<b>Total Shares following completion of the Offer</b>	<b>216,951,223</b>	<b>100%</b>

The tables assume that the Offer is fully subscribed, noting that the Underwriter has agreed to fully underwrite the Offer. A summary of the material terms of the Underwriting Agreement is set out in Section 1.4.

### Convertible securities

The Company does not have any convertible securities on issue at the date of this Offer Booklet. No convertible securities are being issued under the Offer. The Company is seeking shareholder approval at the Shareholder Meeting to issue 1,090,000 performance rights and 3,600,000 options to Darren Lurie (and/or his nominee(s)) as incentive securities. If shareholder approval is received at the Shareholder Meeting, the performance rights and options are proposed to be issued by the Company prior to the Closing Date.

Further details will be set out in the notice of meeting to be released to ASX to convene the Shareholder Meeting.

### *3.2 Substantial Shareholders*

At the date of this Offer Booklet, the Company has the substantial shareholders described below. The indicative potential impact of participation by each of the respective substantial shareholders (assuming that the Offer is fully subscribed) is described below for indicative purposes:

- West Coast Eggs Pty Ltd (**WCE**) holds 43,519,979 Shares which represents 30.25% of the issued Shares at the date of this Offer Booklet. The holding of WCE is not anticipated to increase as a result of the Offer, noting that the Offer is fully underwritten and that WCE is not able to participate in the Shortfall without shareholder approval pursuant to Listing Rule 10.11.2 (which is not proposed to be sought).
- Bait of Brets Pty Ltd <Willow Investments A/C> (**BoB**) holds 22,465,547 Shares which represents 15.62% of the issued Shares at the date of this Offer Booklet. BoB is an associate of George Palatianos, a director of the Company, and is accordingly a related party of the Company. BoB is accordingly not able to participate in the Shortfall without shareholder approval pursuant to Listing Rule 10.11.4 or as a sub-

underwriter as described in Section 1.4. Details of the potential relevant interest of George Palatianos is set out in Section 3.3.

- Dr Philip James Currie + Mrs Anne Jennifer Currie <Currie Family Superfund A/C> (**Currie Holding**) holds 21,918,182 Shares which represents 15.24% of the Shares at the date of this Offer Booklet. For indicative purposes, if the Currie Holding took up its full entitlement to New Shares under the Offer and applied for the full 100% of its entitlement of additional New Shares from the Shortfall, the relevant interest of the Currie Holding would increase to 19.81% following the Offer.
- LDL Custodians Pty Ltd <The 17 Holroyd A/C> (**LDL**) holds 14,545,454 Shares which represents 10.11% of the Shares at the date of this Offer Booklet. LDL is an associate of Darren Lurie, a director of the Company, and is therefore a related party of the Company. LDL is accordingly not able to participate in the Shortfall without shareholder approval pursuant to Listing Rule 10.11.4. LDL may (either directly or via an associated entity) acquire an interest in further Shares upon and subject to shareholder approval for the issue of securities to Darren Lurie (and/or his nominee(s)) as described in Section 3.1.

No Eligible Shareholder or investor will be allocated New Shares from the Shortfall if the Company believes that such allocation may result in a breach of the Corporations Act, the Listing Rules or other applicable law.

### 3.3 Potential maximum relevant interest – George Palatianos

The existing and potential relevant interests of George Palatianos, a Director, are described below:

- As noted in Section 3.2, BoB is an associate of Mr Palatianos and accordingly he has a relevant interest in the Shares held by BoB, as well as any New Shares received by BoB under the Offer.
- As noted in Section 3.1, Mr Palatianos (or his nominee) is proposed to acquire a relevant interest in up to 8,350,000 Shares on conversion of a portion of an existing director loan provided to the Company by an associated entity of Mr Palatianos, subject to receipt of prior shareholder approval which is being sought at the Shareholder Meeting. If shareholder approval is obtained for the issue of Shares on conversion of a portion of the existing director loan provided by an associated entity of Mr Palatianos but shareholders do not approve the issue of the other Shares for which approval is sought at the Shareholder Meeting, a total of 7,875,000 Shares would be issued.
- The Underwriter is an associate of Mr Palatianos and accordingly he will acquire a relevant interest in any New Shares subscribed for and received by the Underwriter.

Noting the above, Mr Palatianos in combination with his associates currently has a relevant interest in 22,465,547 Shares which represents 15.62% of the issued Shares at the date of this Offer Booklet.

For indicative purposes and having regard to the above:

- if shareholders approve the issue of up to 8,350,000 Shares on conversion of a portion of the existing director loan provided by an associated entity of Mr Palatianos (but do not approve any other issues of Shares) at the Shareholder Meeting then:
  - 7,875,000 Shares would be issued to Mr Palatianos (or his nominee) in respect of the conversion of the portion of the director loan provided to the Company by an associated entity of Mr Palatianos; and
  - Following the issue, Mr Palatianos would in combination with his associates have a relevant interest in 30,340,547 Shares representing 19.99% of the then issued Shares.
- If shareholders approve the issue of all Shares for which approval is sought at the Shareholder Meeting:
  - 8,350,000 Shares would be issued to Mr Palatianos (or his nominee) in respect of the conversion of the portion of the director loan provided to the Company by an associated entity of Mr Palatianos; and

- Following the issue, Mr Palatianos would in combination with his associates have a relevant interest in 30,815,547 Shares representing 19.84% of the then issued Shares.

Having regard to the above and for indicative purposes:

- If no shareholder takes up their entitlement to New Shares under the Offer such that the Underwriter receives all New Shares under the Offer and assuming that shareholders only approve the issue of Shares on conversion of the director loan provided by an associated entity of Mr Palatianos at the Shareholder Meeting, the relevant interest of Mr Palatianos in combination with his associates would increase to 43.11% as a result of the Offer and the issue of the relevant Shares prior to the Closing Date. This represents the maximum possible relevant interest of Mr Palatianos in combination with his associates.
- If no shareholder takes up their entitlement to New Shares under the Offer such that the Underwriter receives all New Shares under the Offer and assuming that shareholders approve the issue of all Shares for which shareholder approval is sought at the Shareholder Meeting (including on conversion of the director loan provided by an associated entity of Mr Palatianos), the relevant interest of Mr Palatianos in combination with his associates would increase to 42.62% as a result of the Offer and the issue of Shares prior to the Closing Date.
- If no shareholder takes up their entitlement to New Shares under the Offer such that the Underwriter receives all New Shares under the Offer and assuming that shareholders do not approve the issue of any Shares for which approval is being sought at the Shareholder Meeting (including on conversion of the director loan provided by an associated entity of Mr Palatianos), the relevant interest of Mr Palatianos in combination with his associates would increase to 40.93% as a result of the Offer.

The above calculations are provided for indicative purposes and the actual relevant interest of Mr Palatianos in combination with his associates may differ depending upon the participation by Eligible Shareholders in the Offer (including in applying for New Shares from the Shortfall).

The Company has not appointed a nominee for the purposes of section 615 of the Corporations Act as the Offer will be made to all shareholders as at the Record Date, irrespective of their jurisdiction. In this regard the relevant interest of Mr Palatianos and his associates may increase to above the 20% takeovers threshold under item 10 of section 611 of the Corporations Act.

### 3.4 *Potential dilution*

The potential effect of issue of the New Shares under the Offer will have on control of the Company is as follows:

- (a) if all Eligible Shareholders take up their full entitlements to New Shares under the Offer, the Offer will not have a material effect on the control of the Company as all Eligible Shareholders will maintain their respective percentage shareholdings in the Company.
- (b) If an Eligible Shareholder takes up their entitlement for New Shares in full and applies for and receives New Shares from the Shortfall then their percentage shareholding in the Company will increase. Details of the Shortfall allocation policy of the Company are set out in Section 1.3.
- (c) If an Eligible Shareholder takes up some, but not all, of their entitlement to New Shares under the Offer then the percentage shareholding of that Eligible Shareholder will decrease to the extent that the Eligible Shareholder does not take up their entitlement to New Shares under the Offer.
- (d) to the extent that an Eligible Shareholder does not take up any of their entitlement to New Shares under the Offer, that Eligible Shareholder's percentage shareholding in the Company will be diluted as a result of the issue of New Shares under the Offer.

The above potential effects assume that the Offer is fully subscribed (noting the Offer is fully underwritten).

All shareholders will be diluted from the issue of New Shares to the Underwriter as described in Section 1.4.

Details of the potential relevant interests of George Palatianos and his associates in combination are described in Section 3.3 for indicative purposes to show the potential impact on control of the Company of the Offer.

Indicative examples of the potential impact of dilution on existing holders where a shareholder does not take up its entitlement to New Shares under the Offer and the Offer is fully subscribed are set out in the table below:

Shareholder (example)	Holding at the Record Date	% at the Record Date	3 for 7 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (205,511,223 Shares)
A	2,500,000	1.74%	1,071,429	2,500,000	1.22%
B	5,000,000	3.48%	2,142,857	5,000,000	2.43%
C	7,500,000	5.21%	3,214,286	7,500,000	3.65%
D	10,000,000	6.95%	4,285,714	10,000,000	4.87%
E	12,500,000	8.69%	5,357,143	12,500,000	6.08%
F	15,000,000	10.43%	6,428,571	15,000,000	7.30%

The potential impact of dilution on existing holders where a shareholder does not take up its entitlement to New Shares under the Offer and the Offer is fully subscribed and all Shares for which shareholder approval is being sought at the Shareholder Meeting are issued is set out in the table below:

Shareholder (example)	Holding at the Record Date	% at the Record Date	3 for 7 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (216,951,223 Shares)
A	2,500,000	1.74%	1,071,429	2,500,000	1.15%
B	5,000,000	3.48%	2,142,857	5,000,000	2.30%
C	7,500,000	5.21%	3,214,286	7,500,000	3.46%
D	10,000,000	6.95%	4,285,714	10,000,000	4.61%
E	12,500,000	8.69%	5,357,143	12,500,000	5.76%
F	15,000,000	10.43%	6,428,571	15,000,000	6.91%

Notes to tables:

- (1) All percentages are subject to rounding.
- (2) The notional Shareholders in the examples above do not acquire or dispose of Shares.
- (3) The table assumes that no proposed convertible securities convert to Shares.

### 3.5 Director interests

The following tables set out the direct and indirect interests of the Directors at the date of this Offer Booklet. For indicative purposes, the below tables have been prepared for illustrative purposes to show the interests of the Directors if they take up their entitlement to New Shares under the Offer or if they do not take up their entitlement to New Shares under the Offer, excluding the issue of Shares for which shareholder approval is being sought at the Shareholder Meeting as described in Section 3.1.

The below table assumes that the Directors **take up** their entitlement to New Shares under the Offer in full:

Name	Holding at the Record Date	% at the Record Date*	3 for 7 entitlement under the Offer	Holding if entitlement taken up	As % of total Shares on issue after the Offer (205,511,223 Shares)
George Palatianos	22,465,547	15.62%	9,628,092	32,093,639	15.62%
Darren Lurie	14,545,454	10.11%	6,233,766	20,779,220	10.11%
Malcolm Ward	3,809,576	2.65%	1,632,675	5,442,251	2.65%
<b>TOTAL</b>	<b>40,820,577</b>	<b>28.38%</b>	<b>17,494,533</b>	<b>58,315,110</b>	<b>24.09%</b>

The below table assumes that the Directors **do not take up** their entitlement under the Offer:

Name	Holding at the Record Date	% at the Record Date*	3 for 7 entitlement under the Offer	Holding if entitlement <u>not</u> taken up	As % of total Shares on issue after the Offer (205,511,223 Shares)
George Palatianos	22,465,547	15.62%	9,628,092	22,465,547	10.93%
Darren Lurie	14,545,454	10.11%	6,233,766	14,545,454	7.08%
Malcolm Ward	3,809,576	2.65%	1,632,675	3,809,576	1.85%
<b>TOTAL</b>	<b>40,820,577</b>	<b>28.38%</b>	<b>17,494,533</b>	<b>40,820,577</b>	<b>19.86%</b>

For indicative purposes, the below tables have been prepared for illustrative purposes to show the interests of the Directors if they take up their entitlement to New Shares under the Offer **or** if they do not take up their entitlement to New Shares under the Offer, including the issue of all Shares for which shareholder approval is being sought at the Shareholder Meeting as described in Section 3.1.

The below table assumes that the Directors **take up** their entitlement to New Shares under the Offer in full:

Name	Holding at the Record Date	% at the Record Date*	Holding after Share issue per shareholder approval	% after Share issue per shareholder approval	3 for 7 entitlement under the Offer	Holding if entitlement taken up	As % of total Shares on issue after the Offer (216,951,223 Shares)
George Palatianos	22,465,547	15.62%	30,815,547	19.84%	9,628,092	40,443,639	18.64%
Darren Lurie	14,545,454	10.11%	17,635,454	11.36%	6,233,766	23,869,220	11.00%
Malcolm Ward	3,809,576	2.65%	3,809,576	2.45%	1,632,675	5,442,251	2.51%
<b>TOTAL</b>	<b>40,820,577</b>	<b>28.38%</b>	<b>52,260,577</b>	<b>33.65%</b>	<b>17,494,533</b>	<b>69,755,110</b>	<b>32.15%</b>

The below table assumes that the Directors **do not take up** their entitlement under the Offer:

Name	Holding at the Record Date	% at the Record Date*	Holding after Share issue per shareholder approval	% after Share issue per shareholder approval	3 for 7 entitlement under the Offer	Holding if entitlement <u>not</u> taken up	As % of total Shares on issue after the Offer (216,951,223 Shares)
George Palatianos	22,465,547	15.62%	30,815,547	19.84%	9,628,092	30,815,547	14.20%
Darren Lurie	14,545,454	10.11%	17,635,454	11.36%	6,233,766	17,635,454	8.13%
Malcolm Ward	3,809,576	2.65%	3,809,576	2.45%	1,632,675	3,809,576	1.76%
<b>TOTAL</b>	<b>40,820,577</b>	<b>28.38%</b>	<b>52,260,577</b>	<b>33.65%</b>	<b>17,494,533</b>	<b>52,260,577</b>	<b>24.09%</b>

Notes to tables:

- (1) Percentages are subject to rounding.
- (2) The tables assume that no proposed convertible securities convert to Shares.
- (3) Does not take into account the acquisition of New Shares by the Underwriter, who is an associate of George Palatianos. Details of the potential maximum relevant interest of George Palatianos is set out in Section 3.3.
- (4) The Directors and their associates will not be able to apply for and receive New Shares under the Shortfall other than with prior shareholder approval or, in the case of an associate of George Palatianos, acquisition pursuant to the Underwriting Agreement summarised in Section 1.4.
- (5) Darren Lurie (or his nominee) is proposed to be issued performance rights and options, subject to receipt of shareholder approval at the Shareholder Meeting. Further details are set out in the notice of meeting dated 1 July 2024 and released to ASX on that date.

## 4. APPLICATION PROCESS

### 4.1 Entitlements and Acceptances

Your entitlement is shown on your personalised Entitlement and Acceptance Form located electronically on the offer website [www.computersharecas.com.au/frmoffer](http://www.computersharecas.com.au/frmoffer). You may accept the Offer:

- (a) if you have a registered address in Australia, by making payment by BPAY<sup>1</sup> in accordance with the instructions on your personalised Entitlement and Acceptance Form; or
- (b) if you have a registered address in Australia and are unable to make payment via BPAY or if you are an Eligible Shareholder with a registered address in a country outside Australia, by making payment by Electronic Funds Transfer (**EFT**) in accordance with the instructions on the applicable Entitlement and Acceptance Form.

The Company will accept payments and (where applicable) returned Entitlement and Acceptance Forms until 5.00pm (Melbourne time) on the Closing Date (including as extended, if applicable) or such other time and/or date as the Directors in their absolute discretion may determine, subject to the requirements of the Corporations Act and the ASX Listing Rules.

### 4.2 Applying for New Shares from the Shortfall

Details regarding the potential allocation of the New Shares from the Shortfall is set out in Section 1.3.

In addition to being able to accept your pro rata entitlement to New Shares under the Offer as shown on your personalised Entitlement and Acceptance Form, if you accept and pay the application monies for your entire pro rata entitlement you may also apply for additional New Shares from the Shortfall (if any) unless you are excluded from applying for New Shares from the Shortfall as provided for in Section 1.3.

Instructions for applying for additional New Shares from the Shortfall are set out below and in or accompanying your personalised Entitlement and Acceptance Form. Applications for New Shares from the Shortfall must be received by 5.00pm (Melbourne time) on the Closing Date (including as extended, if applicable) or such other date as the Directors in their absolute discretion may determine, subject to the requirements of the Corporations Act and the ASX Listing Rules. You may only make an application for New Shares from the Shortfall if you accept your full pro rata entitlement to New Shares under the Offer.

New Shares under the Shortfall will only be issued if the entitlements under the Offer are not taken up in full. If the Company receives valid applications for New Shares under the Shortfall that would result in the Offer being oversubscribed, the Company will scale back applications as set out in Section 1.3.

In the event an application for New Shares under the Shortfall is not accepted, including because of a scale back as set out in Section 1.3, the application monies received for an unsuccessful application for New Shares under the Shortfall (or the applicable portion if the application is partly successful) will be refunded to the applicant, without interest, by way of bank transfer where the share registry holds bank account details and otherwise by way of a cheque being sent to the registered address of the applicant as soon as practicable.

Further details regarding the Shortfall including the allocation policy of the Company are set out in Section 1.3. The Offer is fully underwritten by the Underwriter. Further details of the underwriting are set out in Section 1.4.

### 4.3 Paying by BPAY

If paying by BPAY, you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay by BPAY does not exceed your limit. The Company and its share registry accept no responsibility for unsuccessful, delayed or incomplete BPAY payments.

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<sup>1</sup> ® Registered to Bpay Pty Ltd ABN 69 079 137 518

If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the BPAY customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be treated as an application for additional New Shares from the Shortfall.

#### *4.4 Paying by EFT or other methods*

For Eligible Shareholders whose holdings are registered in Australia that are unable to make payment via BPAY or for Eligible Shareholders whose holdings are registered in a country outside Australia, pay your application money via EFT by calling the information line or by following the instructions set out in or accompanying the personalised Entitlement and Acceptance Form.

You can only make a payment via EFT if you hold an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (a) you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your application money.

If paying by EFT, you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via EFT. It is your responsibility to check that the amount you wish to pay by EFT does not exceed your limit. The Company and its share registry accept no responsibility for unsuccessful, delayed or incomplete EFT payments.

If you have multiple holdings you will have multiple personalised EFT reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the personalised EFT reference number provided for the applicable holding when paying for any New Shares that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be treated as an application for additional New Shares from the Shortfall.

Please note that your bank and the receiving bank may apply fees or charges to transfer and conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by the Company. Unless otherwise agreed by the Company in writing, payments made in another currency will be treated as a payment of the amount actually received as Australian dollars in the bank account of the Company or its registry. The Company and its registry accept no responsibility for delays, fees or charges, or foreign exchange impacts.

#### *4.5 General*

The Entitlement and Acceptance Form does not need to be returned. If an Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Methods of payment other than BPay or EFT may only be used with the express, prior written agreement of the Company, which may be subject to conditions in addition to the above.

The amount payable on acceptance or application will be deemed not to have been received until the Company is in receipt of cleared funds (in Australian currency, unless otherwise agreed by the Company in writing). The Company may reject an acceptance or application where payment of the applicable amount is not received, or without prejudice to its rights, issue New Shares in response to the acceptance or application and recover the outstanding amount from the recipient.



## 5 RISKS

The Company's activities, as in any business, are subject to risks which may impact the Company's future performance. The following is a summary of the more material matters to be considered and should be read in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements. The summary below is not exhaustive, but rather represents some of the major risk factors which you need to be aware of in evaluating the Company's business and the risks of increasing your investment in the Company.

### 5.1 *Risks associated with the Offer*

#### Underwriting risk

The Underwriting Agreement is subject to various termination provisions, some of which are outside of the control of the Company. The termination rights of the Underwriter pursuant to the Underwriting Agreement form part of the summary of the material terms of the Underwriting Agreement set out in Section 1.4. There is a risk that the Underwriter may terminate the Underwriting Agreement, which may include termination of the Underwriting Agreement due to the occurrence of an event over which the Company has no control.

#### Value of New Shares and share market conditions

The market price of the Company's securities is subject to varied and unpredictable influences on the market for equities in general. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company. The price of Shares (including, following issue, New Shares) may fall as well as rise and no guarantee is given that the price of Shares (including New Shares) will increase.

#### Liquidity

There can be no assurance there will be, or continue to be, an active market for the Shares (including, following issue, New Shares) or that the price of Shares (including, following issue, New Shares) will increase.

#### Dilution

The issue of New Shares will result in holders who do not take up their entitlements to New Shares under the Offer being diluted. The potential dilutive impact of the Offer for a holder who does not take up their entitlement will vary depending on the level of subscriptions for New Shares under the Offer (including the Shortfall). Indicative illustrative examples of the potential dilutive impact of the Offer are set out in Section 3.4.

#### Taxation consequences

The issue of New Shares may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before applying for New Shares.

### 5.2 *Specific Risks*

#### Additional requirements for capital

Further funding is required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and consequently its performance. The Company may seek to raise further funds through equity or debt financing or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to shareholders.

#### Avian influenza risk

As announced on 4 July 2024, 7 July 2024 and 11 July 2024, birds at the Company sites located in the Lethbridge have tested positive for avian influenza, which has impacted the total production capacity of the Company in a material way. The Company does not have any further sites in the Lethbridge area and the operations of the Company located outside of the Lethbridge area continue to operate as normal.

A second outbreak of avian influenza was announced in the Sydney basin of New South Wales on 19 June 2024. The New South Wales outbreak has now spread to a commercial egg farm and egg grading facility in the ACT. None of the farms of the Company in this region are currently being impacted, with the closest farm of operated by the Company being approximately 40 to 50 kilometres from the impacted farm.

Whilst the Company continues to monitor the situation and has not identified any further sites at which avian influenza is present in birds, no guarantee can be given that the avian influenza will not spread to further sites outside of the Lethbridge area, which could further reduce the total production capacity of the Company.

As also announced, the Company is seeking compensation from the Emergency Animal Disease Compensation Scheme in connection with the outbreak. The quantum and timing of such compensation is not known at the date of this Offer Booklet and the Company will provide updates with material information to ASX as and when available. No guarantee can be given that compensation will be received within a specified period, or at all.

#### Refinancing risk

As previously disclosed, the Company has secured loan and working capital debt facilities. The Company's facility with MC FP Pty Ltd was renegotiated and extended to 31 December 2025 (refer ASX release dated 28 June 2024 titled "Farm Pride completes debt refinancing"). The Company has a further loan facility of \$2 million which expires on 31 August 2024 and is in the process of renegotiating for an extension of the term of that facility and seeking an alternative facility. There is a risk that if that facility cannot be extended or replaced and the amount due under that facility would become payable on expiry. In addition, the loan facilities of the Company contain default terms which are typical of financing documents including default events which relate to adverse events in relation to the financial performance of the business and/or the effect on the business of avian influenza or other notifiable diseases.

#### Commodity price risk

The Company is affected by the price variability of certain commodities. The Company's main sales product is shell eggs which is a commodity that is subject to market conditions. Where possible, the Company enters into longer term relationships with key customers that create more certainty around volumes and price of products. The activities of the Company also require the ongoing purchase of grain and/or feed stock and is therefore affected by fluctuations in the price of feed ingredients, primarily wheat and soy.

The Company manages this exposure utilising forward grain and/or feed stock purchase commitments through its key suppliers, within certain price parameters agreed by the Board.

#### Agriculture risk

The Company is dependent on the productive capacity of its biological assets. Like all agricultural producers the Company might face the risk of drought, flooding, unseasonal weather, pests and diseases. This includes avian influenza as described earlier in this Section 5.

#### Competition risk

Existing competitors or new entrants in the market may increase the competitive landscape and in turn, erode the Company's revenue and market share. The Company may be unable to respond to such competitive pressures which in turn will adversely impact the Company's operational and financial performance.

#### Litigation risks

The Company is subject to litigation risks. All industries are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on the financial position and operations of the Company, including by diverting the attention of management from operations.

#### Risk that the Company's management and key personnel may discontinue their services

The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.

#### Payment of dividends

Payment of future dividends will depend on matters such as the future profitability and financial position of the Company and the other risk factors set out in this Section 5. There is no assurance that the Company will be in a position or determine to pay dividends in the future.

### 5.3 *General Risks*

#### Regulatory risks

The Company's activities could be adversely affected by changes to laws such as the impact of taxes and charges. The Company could also be adversely affected by changes to laws. Failure to comply with applicable laws could result in fines, penalties or other sanctions.

#### Third party risk

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. Financial failure, default, contractual non-compliance and the conduct on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.

#### Insurance risk

The Company insures its operations in accordance with industry practice.

However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

#### Stock market fluctuations

There are a number of risks associated with any stock market investment. The price of Shares may rise or fall in relation to the price per New Share under this Offer Booklet, and investors who decide to sell their Shares may not receive the full amount of their original investment. The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company and its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

### Liquidity and realisation risk

There can be no assurance there will be, or continue to be, an active market for the Shares (including, following issue, New Shares) or that the price of Shares (including, following issue, New Shares) will increase. Furthermore, the market price for Shares may fall or be made more volatile because of a potentially low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of Shares.

### Unforeseen expenditure or risks

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

There may be other risks which the Directors and/or management of the Company are unaware of at the time of issuing this Prospectus which may impact upon the Company, its operations and/or the value and performance of the securities of the Company.

### Dependence on general economic conditions

The operating and financial performance of the Company will be influenced by a variety of general economic and business conditions. Any protracted downturn in Australia and world economic situation could be expected to have a material adverse effect on the Company's financial performance, financial position and cash flows.

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and Share price can be affected by these factors.

### Negative publicity

Any negative publicity or announcement relating to any the Company, its substantial shareholders, key personnel or activities may adversely affect the share performance of the Company, whether or not it is justified.

### Other risks

For further information in relation to other risks which might affect the Company, please refer to the 2023 Annual Report announced to ASX on 30 August 2023.

#### *5.4 Speculative investment*

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the New Shares.

There may be other risks of which the Directors are unaware which may impact the Company, its operations and/or valuation and performance of Shares (including, following issue, New Shares).

The New Shares therefore carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends in the near-future.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to the Offer (including New Shares under the Shortfall).

## **6 ASX QUOTATION AND DEFERRED SETTLEMENT TRADING**

Application will be made to ASX for the official quotation of the New Shares to be issued under the Offer. If permission is not granted by the ASX for the official quotation of the New Shares to be issued under the Offer, the Company will repay, as soon as practicable, without interest, all application monies received pursuant to the

Offer. ASX and its officers take no responsibility for the contents of this Offer Booklet. The fact that ASX may admit the New Shares to official quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares offered under this Offer Booklet (including New Shares under the Shortfall).

## **7 TAXATION IMPLICATIONS**

The Directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences. As a result, investors should consult their professional tax adviser in connection with subscribing for New Shares.

## **8 OVERSEAS SHAREHOLDERS**

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The following countries are all the countries outside Australia in which Shareholders' addresses in the Company's register of members ("registered addresses") were located as at 7.00pm, Melbourne, Victoria, Australia time, on 28 June 2024 (being the ASX business day before this Offer Booklet was released to ASX). The Company considers, on the basis of the information about Shareholders available to it, that the following would apply to those Shareholders, and the Offer would be able to be made to and accepted by them. The Offer is being made to Eligible Shareholders, being all shareholders of the Company as at the Record Date.

### ***Canada (British Columbia only)***

This document constitutes an offering of the New Shares in the Canadian province of British Columbia (the "Province") where existing shareholders of the Company are resident. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Province.

No securities commission or other authority in the Province has reviewed or in any way passed upon this document, the merits of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Province with respect to the offering of New Shares or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province.

Any resale of the New Shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security (such as New Shares) of a foreign issuer (such as the Company) that is not a reporting issuer in Canada and that is made through an exchange or market outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

### ***Germany***

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in Germany is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);

- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### ***Malaysia***

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

### ***New Zealand***

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### ***Singapore***

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **9 CUSTODIANS AND NOMINEES**

Custodians and nominees may not distribute this Offer Booklet, and may not permit any beneficiary to participate in the Offer, except in Australia, the jurisdictions referred to in Section 8 (in accordance with the requirements specified for the relevant jurisdictions) or, with the prior consent of the Company, to beneficiaries in certain other countries where the Company may determine it is lawful and practical to make the Offer.

## **10 GENERAL**

The Offer and any contract under it are governed by the applicable law of Victoria, Australia.

The Offer has not been, and will not be, registered under the US Securities Act and has not and will not be made in the United States of America or to persons resident in the United States of America.

The information in this Offer Booklet does not constitute financial product advice. This Offer Booklet does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer

of New Shares pursuant to this Offer Booklet, and risks associated with investing in the Company, having regard to their own objectives, financial situation, tax position and needs.

It is the responsibility of applicants to determine their allocation prior to trading in the shares. Applicants who sell shares before they receive their holding statements will do so at their own risk.

The Company seeks and engages in discussions on an ongoing basis in respect of potential opportunities for the establishment of new and the expansion of existing activities and business development opportunities. While the Company continues to seek and negotiate potential commercial opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all.

The Company operates an ongoing business. Its business may result in the Company receiving, amongst other matters, further results or updates on the status of matters previously disclosed via announcement to ASX.

The Company will make further announcements in respect of any such discussions, negotiations or updates as described above in accordance with its disclosure obligations as developments occur. You can obtain the Company's announcements from the ASX website [www.asx.com.au](http://www.asx.com.au) under the code "FRM".

## **11 PRIVACY**

The Company and its share registry collect information provided on an Entitlement and Acceptance Form for the purposes of processing the acceptances and applications and to administer security holdings in the Company.

By submitting an Entitlement and Acceptance Form, you agree the Company and its share registry may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to act on or process your acceptance or application. An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **12 CONSENT**

Willow Heights Pty Ltd has given, and as at the date of this Offer Booklet has not withdrawn, its consent to be named as the underwriter of the Offer in the form and context in which it is named in this Offer Booklet. Willow Heights Pty Ltd has not authorised or caused the issue of any part of this Offer Booklet and, to the extent permitted by law, expressly disclaim and take no responsibility for any part of this Offer Booklet.

## **13 ENQUIRIES**

Enquiries concerning the Offer can be directed to [companysecretary@farmpride.com.au](mailto:companysecretary@farmpride.com.au).

## **14 DIRECTOR'S RESPONSIBILITY STATEMENT**

The Directors have approved this Offer Booklet.



**Darren Lurie**  
Managing Director