

1 July 2024

Pro-Rata Non-Renounceable Entitlement Offer (Rights Issue) Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Farm Pride Foods Limited (ASX:FRM) (**FRM** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**).

FRM proposes conducting a pro-rata non-renounceable entitlement offer of three (3) new ordinary FRM shares (**New Share**) for every seven (7) ordinary FRM shares (**Shares**) held (3:7) by shareholders with a registered address in Australia, New Zealand, Germany, Malaysia, Singapore, in the province of British Columbia or in any other jurisdiction as at the **Record Date** of 7:00pm (Melbourne time) on 4 July 2024 (being **Eligible Shareholders**) at an issue price of \$0.10 (10 cents) per New Share to raise approximately \$6.17 million before costs (**Offer**). Any New Shares not taken up by Eligible Shareholders will form part of the **Shortfall**. The Offer is fully underwritten by Willow Heights Pty Ltd [ACN 005 630 277] (**Underwriter**).

1. FRM gives notice under section 708AA(2)(f) of the Act as follows:

- (a) the New Shares under the Offer will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, FRM has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) sections 674 and 674A of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 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; and
- (e) the potential effect of the issue of New Shares under the Offer (and any shortfall of New Shares under the Offer) on the control of FRM and the consequences of that effect will depend on a number of factors, including but not limited to the extent Eligible Shareholders take up their entitlements, and/or participate in the Shortfall. Further details are set out below.

2. The potential effect of the Offer on the control of FRM (based on the issued share capital of FRM as at the date of this notice and noting that the Offer is fully underwritten) is summarised below:

- (a) If all Eligible Shareholders take up their entitlements to New Shares under the Offer, then the percentage interest in the issued capital of the Company of all Eligible Shareholders will remain the same as at the Record Date;
- (b) If not all Eligible Shareholders take up their entitlements to New Shares under the Offer, an Eligible Shareholder who takes up their full entitlement to New Shares under the Offer but do not subscribe for and receive New Shares from the Shortfall will retain their percentage ownership of the Company at the Record Date and will not be diluted as a result of the issue of New Shares under the Offer;

- (c) Any Eligible Shareholder who does not take up their entitlement to New Shares under the Offer in full will have their percentage interest in the Company diluted as a result of the issue of any New Shares under the Offer (including the issue of any New Shares from the Shortfall);
- (d) Eligible Shareholders who do not take up their entitlement to New Shares under the Offer at all will have their percentage interest in the Company diluted as a result of the issue of any New Shares under the Offer (including the issue of any New Shares from the Shortfall) more significantly than an Eligible Shareholder who takes up some, but not all, of their entitlement to New Shares under the Offer as described at 2(c) above;
- (e) Any Eligible Shareholder who takes up their full entitlement to New Shares under the Offer and who subscribes for and receives New Shares from the Shortfall (if any) will increase their percentage interest in the issued capital of the Company;
- (f) The allocation process for New Shares under the Shortfall will be set out in detail in the offer booklet for the Offer. As announced by the Company on 11 June 2024, applications for New Shares from the Shortfall received from Eligible Shareholders will be capped at 100% of the entitlement to New Shares of that Eligible Shareholder under the Offer (subject to the discretion of the Company in consultation with the Underwriter);
- (g) The Company will not allocate New Shares from the Shortfall if such allocation would contravene the takeover provisions of the Act or other applicable law;
- (h) Willow Heights Pty Ltd [ACN 005 630 277] (Underwriter) has agreed to underwrite the Offer in full, subject to the terms of an underwriting agreement that are summarised in the offer booklet for the Offer. These terms include that the Underwriter will receive a cash fee equal to 6% of the underwritten amount (being the total to be raised under the Offer). The Underwriter does not hold any Shares at the date of this Notice. The Underwriter is associated with George Palatianos, a director of the Company, who holds a relevant interest in 22,465,547 Shares at the date of this Notice (15.62%). It is proposed that George Palatianos (and/or his nominee) will acquire a relevant interest in up to a further 8,350,000 Shares prior to the closing date of the Offer upon conversion of a director loan provided by an associated entity of Mr Palatianos, subject to shareholder approval which is to be sought at an extraordinary general meeting to be held on or about 31 July 2024.
- (i) Having regard to 2(h) 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 as approved by shareholders of the Company 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 (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 as approved by shareholders of the Company 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 (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.
- (j) At the date of this notice, 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 notice. 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 notice. BoB is an associate of George Palatianos, a director of the Company, and is accordingly a related party of the Company. BoB is not able to participate in the Shortfall without shareholder approval pursuant to Listing Rule 10.11.4 (which is not proposed to be sought) or as a sub-underwriter as described in the offer booklet for the Offer. Details of the potential relevant interest of George Palatianos is set out at 2(i) above.
 - 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 notice. 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 notice. 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 (which is not proposed to be sought). LDL may (either directly or via an associated entity) acquire an interest in up to 3,090,000 further Shares upon and subject to shareholder approval for the issue of securities to Darren Lurie (and/or his nominee(s)) which is proposed to be sought; and
- (k) On completion of the Offer and as described above, no shareholder of the Company, other than each of Mr Palatianos (in combination with his associates) and WCE respectively, will hold a relevant interest in 20% or more of the issued voting shares of the Company.

Other than as noted above, the Offer is not expected to materially affect the control of the Company.

If you have any further questions, you should contact your stockbroker, accountant, or other professional adviser.

Signed for and on behalf of the Board.



Darren Lurie
Managing Director

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

Contact details

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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.