

ASX Announcement: 26 June 2023

Divestment of Shima Wasabi

TasFoods Limited (ASX:TFL) today announces that it has entered into a binding contract to sell the Shima Wasabi Pty Ltd (“Shima Wasabi”) business unit to Hillwood Berries Tas Pty Ltd (“Hillwood Berries”).

TasFoods acquired the Shima Wasabi business in 2016 during the initial growth phase of the Company’s product portfolio strategy. As previously highlighted, since the implementation of our strategic roadmap in 2022 the Company has actively explored and assessed our strategic options, challenging every aspect of our business portfolio. Whilst Shima Wasabi products continue to be enjoyed by customers in restaurants and at home the business unit is unable to scale at the appropriate level to justify being retained within the core TasFoods brand stable.

Our recent business unit review concluded that TasFoods is not the appropriate custodian to develop a premium range of wasabi products to gain market access and broader distribution of the Shima Wasabi brand. With the business unit unable to achieve TasFoods benchmarks under the capital management framework it was determined to explore a divestment of Shima Wasabi.

It is our view that the divestment of Shima Wasabi to Hillwood Berries provides the brand with the best opportunity to achieve its full potential under new ownership whilst ensuring TasFoods remains focussed on its core product portfolio.

TasFoods continues to explore and review all possible strategic initiatives including partnerships, vertical integration, complementary asset utilisation and divestment options and we will review any opportunity through the lens of ensuring enhanced returns to shareholders.

We expect the transaction to be finalised by 30 June 2023, subject to final agreement between the parties, upon which time the net proceeds from the sale will be used to retire debt and support working capital requirements. The sale price of \$700,000 (less employee entitlements at settlement date) represents 1.8 times revenue which is a reasonable outcome in the current environment.

TasFoods will not require shareholder approval for the transaction.

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

TasFoods contact

Scott Hadley
Chief Executive Officer
+61 3 6331 6983