



RETAIL OFFER BOOKLET

3 FOR 29 ACCELERATED PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER AT AN OFFER PRICE OF \$4.80 PER NEW SHARE

FREEDOM FOODS GROUP LIMITED ABN 41 002 814 235 ("**FREEDOM FOODS**")

This Retail Offer Booklet contains details of a 3 for 29 accelerated pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") of new fully paid ordinary shares in Freedom Foods ("**New Shares**") at a price of \$4.80 per New Share ("**Offer Price**").

The Retail Entitlement Offer opens on Thursday, 22 March 2018 and closes at 5.00pm on Thursday, 5 April 2018 (unless extended). Valid acceptances must be received before that time.

The lead managers and underwriters for the Entitlement Offer are Veritas Securities Limited ACN 117 124 535 and UBS AG, Australia Branch ACN 088 129 613 (together, the "**Lead Managers**").

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

This Retail Offer Booklet is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this Retail Offer Booklet. This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form are important documents and require your immediate attention. They should be read in their entirety. If you do not understand their content or are in doubt as to the course you should follow or have any questions about the New Shares being offered by this Retail Offer Booklet, you should consult your stockbroker or other professional adviser.

This Retail Offer Booklet is dated Thursday, 22 March 2018.

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CORPORATE DIRECTORY

Directors

Mr Perry Gunner (Chairman, Non-Executive Director)
Mr Rory J. F. Macleod (Managing Director and Chief Executive Officer)
Mr Anthony M. Perich (Deputy Chairman, Non-Executive Director)
Mr Trevor J. Allen (Non-Executive Director)
Mr Ronald Perich (Non-Executive Director)
Mr Michael R. Perich (Non-Executive Alternate Director)

Company Secretary

Mr Campbell Nicholas (Chief Financial Officer and Company Secretary)

Registered Office

80 Box Road
Taren Point NSW 2229 Australia

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Legal Advisors

PricewaterhouseCoopers (ABN 52 780 433 757)
2 Riverside Quay
Southbank VIC 3006

ASX Code

FPN

Auditor

Deloitte Touche Tohmatsu

Website

<http://www.ffgl.com.au>

1. IMPORTANT INFORMATION

Important document

This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Retail Offer Booklet is not and does not purport to be, a prospectus or document containing disclosure to investors for the purposes of Part 6D.2 of the *Corporations Act 2001* (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities & Investments Commission ("**ASIC**"). This Retail Offer Booklet is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs.

This Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares and does not take into account the investment objects, financial situation or needs of you or any particular investor.

You should carefully consider the risk factors that could affect the performance of Freedom Foods in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in New Shares.

Section 708AA of the Corporations Act

This Retail Offer Booklet has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Retail Offer Booklet is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Retail Shareholders should rely on their own knowledge of Freedom Foods, refer to disclosures made by Freedom Foods to the Australian Securities Exchange ("**ASX**") and consult their professional advisers before deciding to accept the Retail Entitlement Offer.

This Retail Offer Booklet is dated 22 March 2018 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Retail Offer Booklet.

New Shares will only be issued on the basis of this Retail Offer Booklet in accordance with the terms set out in this Retail Offer Booklet.

As at the date of this Retail Offer Booklet, Freedom Foods has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act, as they apply to Freedom Foods; and
- (b) section 674 of the Corporations Act.

No excluded information

As at the date of this Retail Offer Booklet, Freedom Foods is not aware of any excluded information of the kind which would require disclosure in this Retail Offer Booklet pursuant to sections 708AA (8), (10) and (11) of the Corporations Act.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer that is not contained in this Retail Offer Booklet. Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Freedom Foods in connection with the Entitlement Offer. Neither Freedom Foods nor any other person warrants the future performance of Freedom Foods or any return on any investment made under this Retail Offer Booklet, except as required by law and then, only to the extent so required.

Forward looking statements

This Retail Offer Booklet may contain forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. Forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While Freedom Foods believes that the expectations reflected in the forward looking statements in this Retail Offer Booklet are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in the Investor Presentation in section 8 of this Retail Offer Booklet, as well as other matters as yet not known to Freedom Foods or not currently considered material by Freedom Foods, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

Eligibility

Applications for New Shares by Eligible Retail Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Retail Offer Booklet. If acceptance is by BPAY® there is no need to return an Application Form. The Entitlement and Acceptance Form sets out an Eligible Retail Shareholder's Entitlement to participate in the Retail Entitlement Offer.

Restrictions on the distribution of this Retail Offer Booklet

This Retail Offer Booklet does not constitute an offer of New Shares in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this Retail Offer Booklet in jurisdictions outside Australia and New Zealand may be restricted by law and any person into whose possession this Retail Offer Booklet comes (including nominees, trustees or custodians) should seek advice on and observe, those restrictions. This Retail Offer Booklet has not been and will not be, approved or lodged with ASIC or its equivalent regulatory bodies in New Zealand, the United States or any other jurisdiction. It has been made available for information purposes only and does not constitute: (i) in respect of Australia, a prospectus, short form prospectus, profile statement or offer information statement as those terms are defined in the Corporations Act; (ii) in respect of New Zealand, a product disclosure statement under the New Zealand Financial Markets Conduct Act 2013; or (iii) in respect of the United States, a prospectus under the US Securities Act.

In particular, neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. The Retail Offer Booklet and any accompanying market announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares referred to herein have been, nor will be, registered under the US Securities Act. Accordingly, the Entitlements may not be exercised by and the Entitlements and New Shares may not be offered or sold to, persons in the United States or to persons that are acting for the account or

benefit of persons in the United States unless they have been registered under the US Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities law.

No documents relating to the Retail Entitlement Offer may be sent or distributed, in whole or in part to persons in the United States or to persons that are acting for the account or benefit of any person in the United States.

Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to Freedom Foods (directly or through its Share Registry). Freedom Foods collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and Freedom Foods' Share Registry.

Sharing this information in the ways described above may involve the transmission of personal information overseas, for example to overseas IT and online database service providers. Other countries may not have data protection laws similar to Australia. By submitting your personal information, you acknowledge and consent (a) to the disclosure of your personal information in this way and to third parties located overseas; and (b) that Freedom Foods and its Share Registry will not be accountable and you will not be able to seek redress under the *Privacy Act 1988* (Cth) for any breach of your privacy by a third party recipient of your personal information located overseas.

You can access, correct and update the personal information that we hold about you. Please contact Freedom Foods or its Share Registry if you wish to do so at the relevant contact numbers set out in this Retail Offer Booklet. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and *Privacy Act 1993* (New Zealand) (as amended), the Corporations Act and certain rules such as the *ASX Settlement Operating Rules*. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, Freedom Foods may not be able to accept or process your application.

2. SUMMARY OF THE RETAIL ENTITLEMENT OFFER

Key investment aspects	
Offer Price	\$4.80 per New Share
Offer Ratio	3 New Shares for every existing 29 Shares held by Eligible Shareholders on the Record Date
Total amount to be raised under the Entitlement Offer	\$100 million
Amount raised under the Institutional Entitlement Offer	\$81.2 million
Amount to be raised under the Retail Entitlement Offer	\$18.9 million
Number of New Shares to be issued under the Institutional Entitlement Offer	16,924,644
Maximum number of New Shares to be issued under the Retail Entitlement Offer	3,936,352

Note: The amounts listed above are approximations. The final amounts raised and New Shares issued remain subject to subscriptions under the Retail Entitlement Offer and rounding of Entitlements.

Timetable	
Record Date	7.00pm (AEDT) on Tuesday, 20 March 2018
Despatch of Retail Offer Booklet and Entitlement and Acceptance forms to Eligible Retail Shareholders	Thursday, 22 March 2018
Retail Entitlement Offer opens	Thursday, 22 March 2018
Settlement of Institutional Entitlement Offer and Placement	Friday, 23 March 2018
Allotment and quotation of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 26 March 2018

Retail Entitlement Offer closes	5.00pm (AEDT) on Thursday, 5 April 2018
Announce results of Retail Entitlement Offer	Tuesday, 10 April 2018
Settlement of Retail Entitlement Offer	Wednesday, 11 April 2018
Issue date and dispatch of holding statements for the New Shares	Thursday, 12 April 2018
Quotation and trading of New Shares issued under the Retail Entitlement Offer	Friday, 13 April 2018
Dispatch of holding statements for the New Shares	Monday, 16 April 2018

These dates are indicative only and subject to change. Freedom Foods reserves the right to amend this indicative timetable. In particular Freedom Foods reserves the right, subject to the Corporations Act, to extend the Closing Date or to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares.

3. LETTER FROM THE MANAGING DIRECTOR

22 March 2018

Dear Shareholder

On behalf of the Directors of Freedom Foods, I am pleased to invite you to participate in the retail component of the 3 for 29 accelerated pro-rata non-renounceable entitlement offer of New Shares at an Offer Price of \$4.80 per New Share.

On 16 March 2018, Freedom Foods announced a \$200 million equity raising ("**Equity Raising**") comprising of:

- the Entitlement Offer (comprising the Institutional Entitlement Offer and the Retail Entitlement Offer) to raise approximately \$100 million; and
- an institutional placement of New Shares at the same Offer Price of \$4.80 per New Share ("**Placement**") to raise approximately \$100 million.

The Entitlement Offer has two components:

- an institutional offer, to Eligible Institutional Shareholders to apply for their pro-rata Entitlement to New Shares ("**Institutional Entitlement Offer**"); and
- a retail offer to Eligible Retail Shareholders to apply for their pro-rata Entitlement to New Shares ("**Retail Entitlement Offer**").

The Institutional Entitlement Offer and Placement raised gross proceeds of approximately \$181.5 million and the New Shares will be allotted and issued on Monday, 26 March 2018.

This Retail Offer Booklet relates to the Retail Entitlement Offer and the New Shares to be issued under it. The Offer Price of \$4.80 per New Share under the Retail Entitlement Offer is the same price paid by institutional investors under the Institutional Entitlement Offer and the Placement. The Retail Entitlement Offer will raise approximately \$18.5 million.

Veritas Securities Limited and UBS AG, Australia Branch have underwritten the Equity Raising and will act as Lead Managers to the Equity Raising. Arrovest Pty Limited (a Perich Group Entity) will act as sub-underwriter for the Retail Entitlement Offer.

As an Eligible Retail Shareholder you are entitled to subscribe for 3 New Shares for every existing 29 Shares you held at the Record Date, being 7.00pm (AEDT) on Tuesday, 20 March 2018. New Shares issued under the Retail Entitlement Offer will be issued on a fully paid basis and will rank equally in all respects with existing Shares in Freedom Foods from the date of issue.

Use of funds from the Entitlement Offer and Placement

Funds raised from the Entitlement Offer will be used to fund Freedom Foods' growth strategy, including the following key initiatives:

- accelerate capital expenditure programs of \$120 million; and
- to provide additional balance sheet flexibility for future growth opportunities.

Further details of these initiatives are set out in the announcement and Investor Presentation released by Freedom Foods on the ASX on 16 March 2018.

Retail Offer Booklet

This Retail Offer Booklet contains a number of important sections, including:

- summary of the key terms of the Retail Entitlement Offer;
- the effect of the Retail Entitlement Offer on Freedom Foods;
- instructions on how to accept all or part of your Entitlements under the Retail Entitlement Offer;
- an Investor Presentation; and
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions in this Retail Offer Booklet.

You should read the entirety of this Retail Offer Booklet carefully (including the "Key Risks" section in the Investor Presentation, which contains a summary of key risks associated with an investment in Freedom Foods) before deciding whether to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer opens on Thursday, 22 March 2018 and closes at 5.00pm (AEDT) on Thursday, 5 April 2018 (unless extended). To participate, you need to ensure that your Entitlement and Acceptance Form, together with your payment, or alternatively a BPAY® payment, is received by Freedom Foods before this time.

Please note that you must take action in order to participate in the Retail Entitlement Offer. **Taking no action will result in a lapse of your Entitlements.** Please refer to this Retail Offer Booklet for information on how to participate in the Retail Entitlement Offer.

Further information

Further information on the Entitlement Offer and Freedom Foods business is detailed in this Retail Offer Booklet, or you can call the Freedom Foods Offer Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (from outside Australia), 8:30am to 5:30pm (AEDT), Monday to Friday during the Offer Period.

If you have any further questions about the Entitlement Offer, you should seek advice from your stockbroker or other professional adviser.

The Directors of Freedom Foods thank you for your continued support and look forward to your participation in the Retail Entitlement Offer.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Rory J F Macleod', with a long horizontal flourish extending to the right.

Rory J F Macleod
Managing Director
Freedom Foods Group Limited

4. DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer

- 4.1 Freedom Foods is offering the retail component of an accelerated pro-rata non-renounceable entitlement offer to Eligible Retail Shareholders on the basis of 3 New Shares for every existing 29 Shares held at 7.00pm (AEDT) on Tuesday, 20 March 2018 at an Offer Price of \$4.80 per New Share.
- 4.2 The Retail Entitlement Offer will result in the issue of 3,936,352 New Shares and will raise approximately \$18.9 million. Further information, including a description of the use of funds and key risks relating to the Entitlement Offer, is set out in the Investor Presentation.
- 4.3 **This Retail Entitlement Offer is personal to you** and is non-renounceable. This means that your Entitlements to participate in the Retail Entitlement Offer are not transferable. If you do not take up your Entitlements under the Retail Entitlement Offer in full or in part, you will not receive any value in respect of those Entitlements that you do not take up.

It is important to note the action which you must take in order to participate in the Retail Entitlement Offer. Eligible Retail Shareholders who do not take up all of their Entitlements will have their interest in Freedom Foods diluted.

- 4.4 Freedom Foods may at any time decide to withdraw this Retail Offer Booklet and the offer of New Shares made under this Retail Offer Booklet, in which case Freedom Foods will return all application monies (without interest) within 28 days of giving notice of such withdrawal.
- 4.5 The Record Date for the purpose of the Entitlement Offer is **7.00pm (AEDT) on Tuesday, 20 March 2018**. The Retail Entitlement Offer set out in this Retail Offer Booklet is only being made to Eligible Retail Shareholders.
- 4.6 If you are an Eligible Retail Shareholder, your Entitlement to New Shares will be shown in the accompanying Entitlement and Acceptance Form. You should note that not all retail Shareholders will be eligible to participate in the offer of New Shares.

Use of proceeds

- 4.7 Funds raised from the Entitlement Offer will be used to fund Freedom Foods' growth strategy, including the key initiatives set out in the Managing Director's letter in section 3 of this Retail Offer Booklet and further details of which are included in the Investor Presentation.

Your entitlement to participate in the Retail Entitlement Offer

- 4.8 Shareholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Shareholders**") are Shareholders who:
- 4.8.1 are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on Tuesday, 20 March 2018;
- 4.8.2 were not invited to participate (other than as nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional investors under the Institutional Entitlement Offer;

- 4.8.3 as at the Record Date, have a registered address in Australia or New Zealand;
 - 4.8.4 are not in the United States and are not acting for the account or benefit of a person in the United States; and
 - 4.8.5 are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.
- 4.9 Freedom Foods has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Ineligible Retail Shareholders having regard to the number of those retail Shareholders, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in places outside of Australia and New Zealand in which those retail Shareholders are located. Accordingly, the Retail Entitlement Offer is not being extended to and does not qualify for distribution or sale by and no New Shares will be issued to Ineligible Retail Shareholders.
- 4.10 Freedom Foods will send each Ineligible Retail Shareholder details of the Retail Entitlement Offer and advise each Ineligible Retail Shareholder that Freedom Foods will not offer New Shares to them. Instead, the Shares that would otherwise be offered to Ineligible Retail Shareholders will be issued to a nominee who will sell them and return the net proceeds to the Ineligible Retail Shareholders as further described in sections 4.40 to 4.42.
- 4.11 This Retail Offer Booklet and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.
- 4.12 In limited circumstances and in Freedom Foods's absolute discretion, Freedom Foods may elect to treat as Eligible Retail Shareholders certain Shareholders who would otherwise be Ineligible Retail Shareholders if Freedom Foods is satisfied that the Retail Entitlement Offer can be extended to those Shareholders without breaching any laws of any jurisdiction(s).

Closing Date

- 4.13 Freedom Foods will accept applications from Thursday, 22 March 2018 until 5.00pm (AEDT) on Thursday, 5 April 2018 ("**Closing Date**"), or any other date the Directors in their absolute discretion determine, subject to the requirements of the Corporations Act and the ASX Listing Rules.

Acceptance of the Retail Entitlement Offer

- 4.14 A completed and lodged Entitlement and Acceptance Form, together with payment for the number of New Shares accepted, or alternatively a BPAY® payment, cannot be withdrawn and constitutes a binding application for and acceptance of, the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in this Retail Offer Booklet. Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your application once it has been accepted. The Entitlement and Acceptance Form does not need to be signed to be binding.
- 4.15 A personalised Entitlement and Acceptance Form accompanies this Retail Offer Booklet for your use if you are an Eligible Retail Shareholder.

- 4.16 You may wish to apply for only part of your Entitlement. If so, you should nominate the number of New Shares you wish to apply for on your Entitlement and Acceptance Form.
- 4.17 Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares.

Payment by cheque, bank draft or money order

- 4.18 If you wish to participate in the Retail Entitlement Offer, you must complete the enclosed Entitlement and Acceptance Form and return it with your cheque, bank draft or money order made payable to “Freedom Foods Group Limited”, crossed “Not Negotiable”, in an envelope delivered (by mail or by hand) to:

Mailing Address

Freedom Foods Group Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Freedom Foods Group Limited
c/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(please do not use this address for mailing purposes)

- 4.19 All cheques must be drawn on an Australian bank or bank draft made payable in Australian dollars.
- 4.20 Your completed Entitlement and Acceptance Form and cheque, bank draft or money order must be received by Freedom Foods prior to the close of the Retail Entitlement Offer.
- 4.21 No brokerage or stamp duty is payable on the issue of New Shares.

Payment by BPAY®

- 4.22 For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form.
- 4.23 It is your responsibility to ensure that your BPAY® payment is received by Freedom Foods’ Share Registry by no later than 5.00pm on Thursday, 5 April 2018. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment.

Rights attached to New Shares

- 4.24 The New Shares issued under the Retail Entitlement Offer will rank equally in all respects (including dividend and bonus issues) with all existing Shares in the capital of Freedom Foods. However, New Shares **will not** be entitled to participate in the dividend that has been declared by Freedom Foods (of \$0.0225 per share with record date of 4 April 2018).
- 4.25 The Directors are not able to indicate when and if dividends will be paid in the future, as payment of any dividend will depend on the future profitability, financial position and cash requirements of Freedom Foods.
- 4.26 The rights and liabilities attached to New Shares are:
- 4.26.1 set out in Freedom Foods's constitution; and
 - 4.26.2 in certain circumstances, regulated by the Corporations Act and the general law.

No trading of Entitlements

- 4.27 The Entitlements to New Shares under the Retail Entitlement Offer are non-renounceable. Accordingly, there will be no trading of Entitlements on the ASX and you may not dispose of your Entitlements to subscribe for New Shares under the Retail Entitlement Offer to any other party. If you do not take up your Entitlement to New Shares under the Retail Entitlement Offer by the Closing Date, the offer to you will lapse.

Underwriting

- 4.28 The Entitlement Offer has been fully underwritten by the Lead Managers (Veritas Securities Limited ACN 117 124 535 and UBS AG, Australia Branch ACN 088 129 613). The Company entered into an Underwriting Agreement with the Lead Managers on 16 March 2018 in relation to the Lead Managers' obligation to manage and fully underwrite the Entitlement Offer. Arrovest Pty Limited (a Perich Group Entity) will act as sub-underwriter for the Retail Entitlement Offer.
- 4.29 Pursuant to the Underwriting Agreement, the Lead Managers have an obligation to subscribe for, or procure the subscription for, the Shortfall Shares not otherwise applied for under the Entitlement Offer by completing and lodging with the Company, or procuring other persons to complete and lodge with the Company, Shortfall application forms and the relevant application monies.
- 4.30 The Lead Managers will be paid a management and underwriting fee of 2.0% of the total amount raised under the Entitlement Offer.
- 4.31 The Underwriting Agreement is on terms and conditions considered standard for an agreement of this nature, including warranties, representations, indemnities and termination events in favour of the Lead Managers that are standard for services of the kind that the Lead Managers are providing to the Company.

Shortfall

- 4.32 If any Eligible Retail Shareholders do not take up their full Entitlement under this Retail Entitlement Offer, the New Shares that are not taken up by them will form part of the Shortfall.
- 4.33 Shortfall Shares may be allocated to other investors including institutional investors and sub-underwriters at the absolute discretion of the Lead Managers, on terms not less than the price and terms offered to Eligible Retail Shareholders under this Entitlement Offer.
- 4.34 Pursuant to the Underwriting Agreement, the Lead Managers may at any time appoint a sub-underwriter or sub-underwriters to sub-underwrite the Entitlement Offer and to subscribe, bid, apply for, or nominate places of, any of the Shortfall.
- 4.35 The Lead Managers have appointed sub-underwriters to sub-underwrite the Entitlement Offer including Arrovest Pty Limited (a Perich Group company which is a cornerstone investor in Freedom Foods and which is a related party of Freedom Foods) which has agreed with the Lead Managers to sub-underwrite up to approximately \$18.5 million of any Shortfall (if any) relating to Retail Entitlement Offer. Please refer to sections 5.2 to 5.5 for further details of these arrangements and potential impact on control of Freedom Foods.

Issue of New Shares

- 4.36 Freedom Foods expects to issue New Shares:
 - 4.36.1 under the Institutional Entitlement Offer and Placement on Monday, 26 March 2018; and
 - 4.36.2 under the Retail Entitlement Offer on Friday, 13 April 2018.

Taxation implications

- 4.37 There may be taxation implications associated with an Eligible Retail Shareholder participating in the Retail Entitlement Offer.
- 4.38 The Directors consider that it is not appropriate to give Eligible Retail Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Retail Offer Booklet. Freedom Foods, its advisers and its officers do not accept any responsibility or liability for any taxation consequences. As a result, Eligible Retail Shareholders should consult their own professional tax advisers in connection with subscribing for New Shares under this Retail Offer Booklet.

Directors

- 4.39 Directors who are Eligible Retail Shareholders will also receive an Entitlement to New Shares. Each Director who is an Eligible Retail Shareholder intends to accept the Retail Entitlement Offer in either part or in full.

Nominee for foreign Ineligible Retail Shareholders

- 4.40 Ineligible Retail Shareholders will not receive any Entitlement under the Entitlement Offer. Instead, Freedom Foods will appoint Pershing Australia ("**Nominee**") to arrange the sale of

the New Shares that Ineligible Retail Shareholders would have been offered under the Retail Entitlement Offer had they been eligible to participate. Under the arrangement with the Nominee and subject to section 4.41 below, Freedom Foods will issue to the Nominee the New Shares that Ineligible Retail Shareholders would have been offered under the Retail Entitlement Offer had they been eligible to participate and the Nominee will then attempt to sell those New Shares.

- 4.41 The Nominee will have the absolute and sole discretion to determine the timing, the price at which the New Shares may be sold and the manner of such sale. The net proceeds above the Offer Price (in Australian dollars), if any, of the sale of the relevant New Shares will be distributed to the Ineligible Retail Shareholders pro rata in proportion to their respective shareholdings as at the Record Date (after deducting costs, including the costs of the sale and the costs of distributing the proceeds). There is no assurance that the Nominee will be able to sell the New Shares issued pursuant to the Ineligible Retail Shareholders Entitlements at an offer price that will result in Ineligible Retail Shareholders receiving any net proceeds for their Entitlements such that Ineligible Retail Shareholders may receive no value for their Entitlements.
- 4.42 Neither Freedom Foods nor the Nominee will be subject to any liability for failure to sell the New Shares that would have been offered to Ineligible Retail Shareholders or to sell them at a particular price. Notwithstanding that the Nominee must sell the New Shares, Ineligible Retail Shareholders, may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

ASX

- 4.43 Application for official quotation on the ASX has been made for the New Shares offered pursuant to this Retail Offer Booklet. The fact that ASX may grant official quotation for the New Shares is not to be taken in any way as an indication of the merits of Freedom Foods or the New Shares offered under this Retail Offer Booklet.

Continuous disclosure obligations

- 4.44 Freedom Foods is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. As such, Freedom Foods is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.
- 4.45 These disclosure obligations require Freedom Foods to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.
- 4.46 This Retail Offer Booklet is intended to be read in conjunction with the publicly available information in relation to Freedom Foods which has been notified to ASX and does not include all of the information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Retail Entitlement Offer. Investors should therefore have regard to the other publicly available information in relation to Freedom Foods before making a decision as to whether or not to accept the Retail Entitlement Offer.

- 4.47 All announcements made by Freedom Foods are available on its website www.ffgl.com.au or the ASX website www.asx.com.au.
- 4.48 Additionally, Freedom Foods is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report and an audit report or review. These reports are released to ASX and published on Freedom Foods's and the ASX's websites.

Governing Law

- 4.49 This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Shareholder Enquiries

- 4.50 Enquiries concerning the Entitlement Offer should be directed to the Freedom Foods Offer Information Line on 1300 420 709 (within Australia) and +61 1300 420 709 (outside Australia), which is available from 8.30am to 5.30pm (AEDT), Monday to Friday during the Offer Period.

5. EFFECT OF THE EQUITY RAISING

Capital structure on completion of the Equity Raising

- 5.1 The following table shows the capital structure of Freedom Foods at the date of this Retail Booklet and on completion of the Equity Raising.

Shares	Number
Existing Shares on issue as at Record Date	201,656,304
New Shares proposed to be issued under the Institutional Entitlement Offer	16,924,644
New Shares proposed to be issued under the Retail Entitlement Offer ¹	3,936,352
New Shares proposed to be issued under the Placement	20,835,000
Total Shares on issue after the Equity Raising	243,352,300
Convertible Redeemable Preference Shares	101,627
Unexercised Employee Share Options	4,561,666

Potential effect of Retail Entitlement Offer on control of Freedom Foods

- 5.2 The issue of New Shares and level of take up of Entitlements under the Retail Entitlement Offer will not have a material effect on the control of Freedom Foods.
- 5.3 As noted in section 4.35, the Lead Managers have appointed sub-underwriters to sub-underwrite the Entitlement Offer including Arrovest Pty Limited (“**Arrovest**”) (a Perich Group company), which is Freedom Foods’ largest shareholder. Arrovest has agreed with the Lead Managers to sub-underwrite up to approximately \$41.8 million of any Shortfall relating to the Entitlement Offer.
- 5.4 At the date the Entitlement Offer and Placement was announced on 16 March 2016, Arrovest had Voting Power of approximately 58.23% in Freedom Foods and is currently a controlling shareholder. As the Placement was fully subscribed (and Arrovest did not participate in the Placement) and as there was significant investor demand from existing Eligible Institutional Shareholders in the Institutional Entitlement Offer (including from Arrovest which took up its full entitlement under the Institutional Entitlement Offer), Arrovest will be diluted following completion of the Institutional Entitlement Offer.
- 5.5 The number of New Shares that may be held by Arrovest following completion of the Entitlement Offer and its corresponding Voting Power is detailed in the table below. The table below shows that in the unlikely circumstances where no Shareholders take up their Entitlements and Arrovest subscribes for a further \$41.8 million worth of Shares under the

¹ If the Retail Entitlement Offer is fully subscribed

sub-underwriting arrangements with the Lead Managers, then its shareholding and Voting Power in Freedom Foods will only decrease by a maximum of 1.4%. Any such decrease will have minimal practical impact on the control of Freedom Foods as Arrovest is already its controlling shareholder.

- 5.6 However, it should be noted that it is unlikely that no Shareholders will take up their Entitlements. Any sub-underwriting obligation of Arrovest and therefore increase in voting power of Arrovest as a result of these sub-underwriting arrangements (as noted in the table below), will decrease by a corresponding amount for the amount of Entitlements taken up by Shareholders.

Event	Shares held by Arrovest	Voting Power of Arrovest
Record Date	117,428,788	58.23%
Entitlement Offer is fully subscribed by all Shareholders ⁽¹⁾	129,576,594	53.25%
0% subscribed of Retail Entitlement Offer ⁽²⁾	133,512,946	54.86%

Note:

- (1) *If all Shareholders take up their full Entitlements under the Entitlement Offer, then Arrovest will only take up its full Entitlement under the Entitlement Offer and will not take up any additional Shares under the Entitlement Offer as a result of the sub-underwriting arrangements with the Lead Managers*
- (2) *Assumes that no Retail Shareholders take up their Entitlements and Arrovest subscribes for a further \$18.5 million worth of Shares under the Entitlement Offer pursuant to its sub-underwriting arrangements with the Lead Managers.*

- 5.7 There are a number of factors which may have a non-material impact on an individual Shareholder's percentage shareholding in Freedom Foods, including (i) if some Eligible Retail Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Retail Shareholders will be diluted and (ii) the proportional interests of Ineligible Retail Shareholders will be diluted because Ineligible Retail Shareholders (who are estimated to hold less than approximately 0.1% of Shares) are not entitled to receive New Shares under the Entitlement Offer.

6. HOW TO ACCEPT

How to accept the Retail Entitlement Offer

- 6.1 Your acceptance of the Retail Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Retail Offer Booklet.
- 6.2 You may participate in the Retail Entitlement Offer as follows:
 - 6.2.1 **if you wish to accept your Entitlement in full:**
 - 6.2.1.1 complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - 6.2.1.2 attach your cheque (drawn on an Australian bank) or bank draft or money order (made payable in Australian dollars) for the appropriate application monies (at \$4.80 per New Share), or pay via BPAY® by following the instructions set out in section 4.22 and 4.23 and in the Entitlement and Acceptance Form; or
 - 6.2.2 **if you only wish to accept part of your Entitlement:**
 - 6.2.2.1 fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - 6.2.2.2 attach your cheque (drawn on an Australian bank) or bank draft or money order (made payable in Australian dollars) for the appropriate application monies (at \$4.80 per share), or pay via BPAY® by following the instructions set out in 4.22 and 4.23 and in the Entitlement and Acceptance Form; or
 - 6.2.3 **if you do not wish to accept all or part of your Entitlement**, you are not obliged to do anything.
- 6.3 Please read the instructions on the Entitlement and Acceptance Form carefully.
- 6.4 By completing and returning your personalised Entitlement and Acceptance Form or otherwise applying to participate in the Retail Entitlement Offer, you will be deemed to have represented to Freedom Foods that you are an Eligible Retail Shareholder and:
 - 6.4.1 declare that:
 - 6.4.1.1 all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
 - 6.4.1.2 you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer; and

- 6.4.1.3 you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- 6.4.2 acknowledge that:
 - 6.4.2.1 once Freedom Foods receives the Entitlement and Acceptance Form with the requisite application monies, you may not withdraw it except as permitted by law;
 - 6.4.2.2 you have read and understood this Retail Offer Booklet and the personalised Entitlement and Acceptance Form in their entirety;
 - 6.4.2.3 the information contained in this Retail Offer Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs; and
 - 6.4.2.4 investments in Freedom Foods are subject to risks and acknowledge the statement of risks in the “Key Risks” section included in the Investor Presentation contained in section 8 of this Retail Offer Booklet;
- 6.4.3 agree to:
 - 6.4.3.1 apply for and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$4.80 per New Share; and
 - 6.4.3.2 be bound by the terms of this Retail Offer Booklet and the provisions of Freedom Foods’s constitution;
- 6.4.4 authorise Freedom Foods to register you as the holder of New Shares and authorise Freedom Foods and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you;
- 6.4.5 authorise Freedom Foods to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- 6.4.6 represent and warrant that the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Retail Offer Booklet or making an application for New Shares; and
- 6.4.7 will be treated as having represented and warranted:
 - 6.4.7.1 if you are acting as a nominee or custodian, that each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not otherwise in the United States and is not acting for the account or benefit of a person in the United States and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form, or any information relating to the Entitlement Offer, to any such person;

- 6.4.7.2 that you are not in the United States and are not applying for New Shares on behalf of, or for the account or benefit of, a person in the United States;
- 6.4.7.3 that you and each person on whose account you are acting are not engaged in the business of distributing securities;
- 6.4.7.4 that you and each person on whose account you are acting have not and will not send any materials relating to the Retail Entitlement Offer, including this Retail Offer Booklet and the Entitlement and Acceptance Form, to any person that is in the United States or that is acting for the account or benefit of a person in the United States; and
- 6.4.7.5 on your own behalf and on behalf of each person on whose account you are acting that:
- (a) neither the Entitlements nor the New Shares offered in the Retail Entitlement Offer have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction outside Australia or New Zealand;
 - (b) the Entitlements may not be taken up by and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of a person in the United States); and
 - (c) the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

7. GLOSSARY OF TERMS

"\$"	Australian dollars
"AEDT"	Australian Eastern Daylight Time
"Arrovest"	Arrovest Pty Limited ACN 117 953 205
"ASIC"	Australian Securities and Investments Commission
"ASX"	ASX Limited ABN 98 008 624 691, or the financial market operated by it, as the context requires
"ASX Listing Rules"	the official listing rules of ASX
"Closing Date"	5.00pm on Thursday (AEDT), 5 April 2018 (unless extended by Freedom Foods)
"Corporations Act"	<i>Corporations Act 2001</i> (Cth)
"Directors"	a member of the board of directors of Freedom Foods
"Eligible Institutional Shareholders"	<p>Institutional Shareholders who:</p> <p>(a) if they are in Australia are either a sophisticated investor or a professional investor within the meaning of section 708(8) or 708(11) of the Corporations Act, respectively; or</p> <p>(b) if they are outside of Australia, they otherwise satisfy the applicable criteria set out in Appendix C of the Investor Presentation</p>
"Eligible Retail Shareholders"	retail Shareholders as at the Record Date who satisfy the criteria specified in section 4.8 this Retail Offer Booklet
"Eligible Shareholders"	an Eligible Retail Shareholder or an Eligible Institutional Shareholder, as the context requires
"Entitlement"	the non-renounceable entitlement of an Eligible Shareholder to subscribe for 3 New Shares for every 29 existing Shares held as at the Record Date
"Entitlement Offer"	the accelerated non-renounceable entitlement offer of New Shares offered to Eligible Shareholders on the basis of 3 New Shares for every existing 29 Shares held on the Record Date at an Offer Price of \$4.80 per New Share
"Entitlement and Acceptance Form"	the Entitlement and Acceptance form that accompanies this Retail Offer Booklet, under which an Eligible Retail Shareholder may apply for New Shares under the Retail Entitlement Offer

"Equity Raising"	the \$200 million equity raising announced by Freedom Foods on 16 March 2018, comprising the Entitlement Offer and the Placement
"Freedom Foods"	Freedom Foods Group Limited ABN 41 002 814 235
"Ineligible Retail Shareholders"	Retail Shareholders who are not Eligible Retail Shareholders
"Institutional Entitlement Offer"	the institutional component of the Entitlement Offer, being an offer to Eligible Institutional Shareholders to apply for their pro-rata Entitlements to New Shares
"Investor Presentation"	the Freedom Foods equity raising presentation of 16 March 2018 set out in section 8 of this Retail Offer Booklet
"New Shares"	the new Shares to be issued pursuant to the Equity Raising
"Offer Period"	the period from the date of this Retail Offer Booklet until the Closing Date
"Offer Price"	\$4.80 per New Share
"Pershing Australia" or "Nominee"	Pershing Australia Nominees Pty Ltd ACN 137 911 730, a nominee subsidiary of Pershing Securities Australia Pty Ltd ACN 136 184 962, the holder of Australian Financial Services Licence No. 338264
"Placement"	institutional placement of New Shares at an Offer Price of \$4.80 per New Share to raise approximately \$100 million, announced by Freedom Foods on 16 March 2018
"Record Date"	the record date for the Entitlement Offer, being 7.00pm (AEDT) on Tuesday, 20 March 2018
"Retail Entitlement Offer"	the retail component of the Entitlement Offer, being an offer to Eligible Retail Shareholders to apply for their pro-rata Entitlements to New Shares.
"Retail Offer Booklet"	this Retail Offer Booklet dated 22 March 2018
"Shareholders"	registered holders of Shares
"Shares"	fully-paid ordinary shares in the capital of Freedom Foods
"Share Registry"	Link Market Services Limited ACN 083 214 537

"Shortfall"	any New Shares under the Retail Entitlement Offer not applied for by Eligible Retail Shareholders
"US Persons"	the meaning given to that term by regulations made under the US Securities Act
"US Securities Act"	US Securities Act 1933 (as amended)
"Voting Power"	has the meaning given to that term in the Corporations Act

8. INVESTOR PRESENTATION

FREEDOM FOODS GROUP

Equity Raising Presentation

16th March 2018



Important Information

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Past performance detailed in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Freedom Foods's views on its future financial performance or condition. Investors should note that past performance of Freedom Foods, including the historical trading price of the Shares, cannot be relied upon as an indicator of (and provides no guidance as to) future Freedom Foods performance, including the future trading price of Shares. The historical information included in this presentation is, or is based on, information that has previously been released to the market.

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Important Information

Disclosure

The book runners, together with their affiliates, are full service financial institutions engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The book runners in conjunction with their affiliates, are acting as joint lead managers and book runners to the Equity Raising to other institutional investors for which they have received or expect to receive fees and expenses. The book runners and/or their affiliates have performed, and may perform, other financial or advisory services for Freedom Foods, and/or may have other interests in or relationships with Freedom Foods, and its related entities for which they have received or may receive customary fees and expenses.

In the ordinary course of its various business activities, the book runners and their affiliates may purchase, sell or hold a broad array of investments and actively trade or effect transactions in equity, debt and other securities, derivatives, loans, commodities, currencies, credit default swaps and/or other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of Freedom Foods, its related entities and/or persons and entities with relationships with Freedom Foods and/or its related entities. The book runners and/or their affiliates, or their respective officers, employees, consultants or agents may, from time to time, have long or short positions in, buy or sell (on a principal basis or otherwise), and may act as market makers in, the securities or derivatives, or serve as a director of any entities mentioned herein. The book runners and/or their affiliates currently hold, and may continue to hold, equity, debt and/or related derivative securities of Freedom Foods and/or its related entities.

None of the book runners nor any of their related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Equity Raising, nor do they make any representations or warranties to you (or other statements upon which you may rely) concerning the Equity Raising or any such information. The engagement of the book runners by Freedom Foods is not intended to and does not create any agency, custodial, fiduciary or other legal relationship between the book runners and any shareholder or other investor.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document you acknowledge and agree to the terms set out above and on the previous pages.

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- Overview
- Proposed Use of Funds
- Details of Equity Raising
- Equity Raising Indicative Timetable

Our Business

Appendices

- Appendix A – Financials FY 2018 1st Half
- Appendix B – Key Risks
- Appendix C – Foreign Selling Restrictions



Overview



Overview

- Unique vertically integrated Australian food and beverage producer
- Largest UHT processing capability in Australia
- Strategic focus on health and wellness segments experiencing long term structural growth, including plant-based beverages, oat based cereals and sports nutrition
- Significant investment in platform production assets in Ingleburn and Shepparton, providing extensive food and beverage production and value-added processing
- Security of supply chain provides strategic flexibility to adapt to new trends and demand growth across a broad variety of end-markets via targeted investments
- Leveraged to Asian demand for Australian brands and products, with long established distribution channels in China and SEA
- Diversity of products, brands and packaging formats catering to a broad local and international consumer base



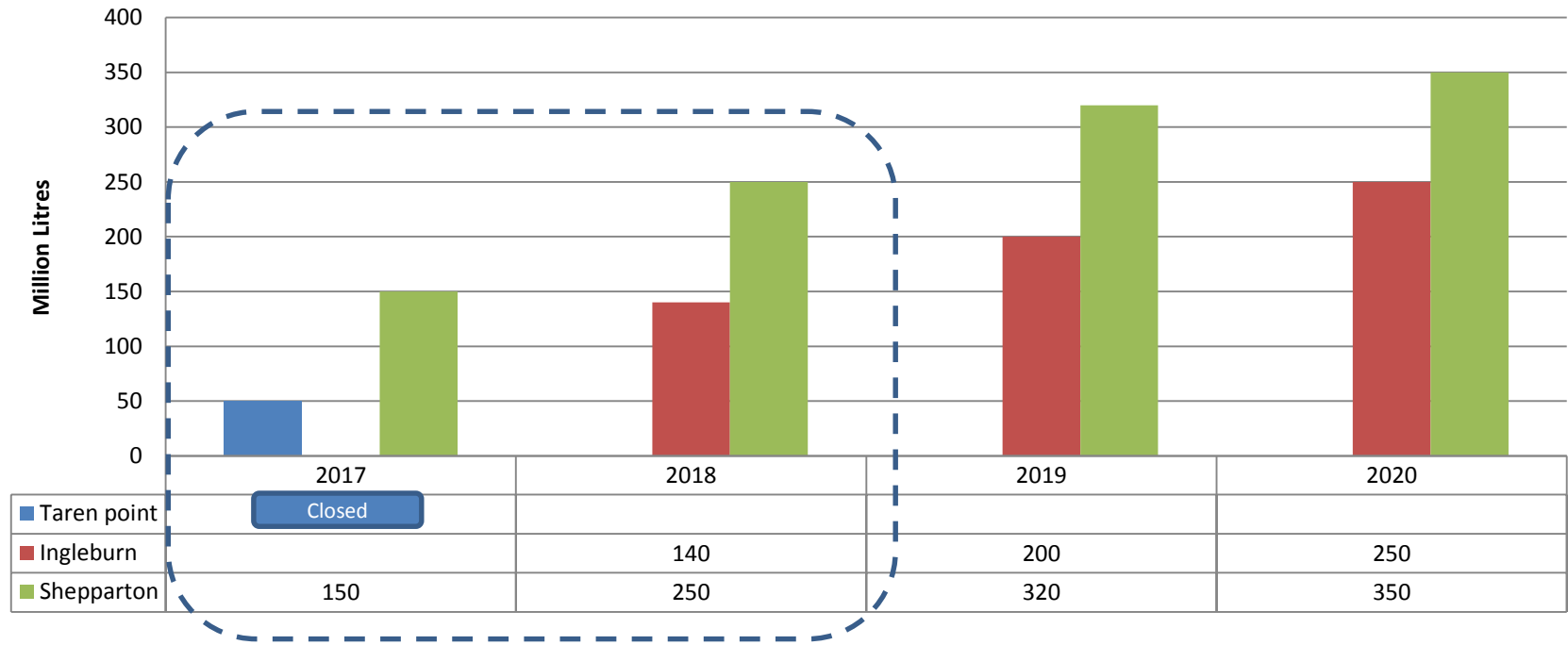
Recent History

- Company is strategically well positioned to build into a major global food and beverage business
- In recent years, the Company has created a significant leading manufacturing infrastructure through an investment program of +\$300m
- Strong sales growth in last 6 months, with a strong trajectory into 2018
- Significant increase in forward demand for Company's branded products and capabilities beyond Company's expectations at 30 June 2017
 - Brand sales accelerating faster than other contract sales, reflecting brand focus, innovation through new product development and disruptive opportunity in channels and categories
 - Growth demands in certain segments like Dairy, provide an opportunity to fast track further development of high value added nutritional platform
- Increased equity capital provides for acceleration of incremental capacity expansion programs and balance sheet flexibility for growth including acquisitions and alliances



Investment drives Capacity

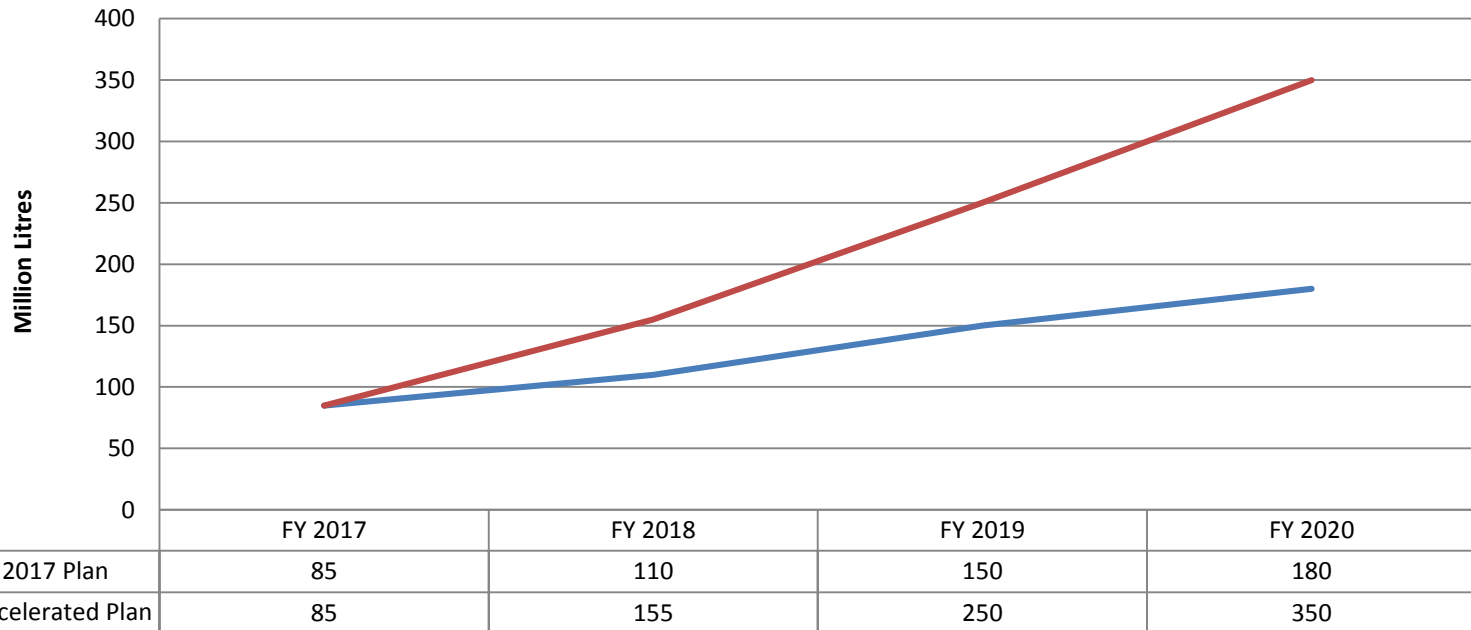
UHT Sites - Installed Litres Capacity



- Significant capex in recent years at Ingleburn and Shepparton

Accelerated Dairy Demand

Dairy Litres – All Sites

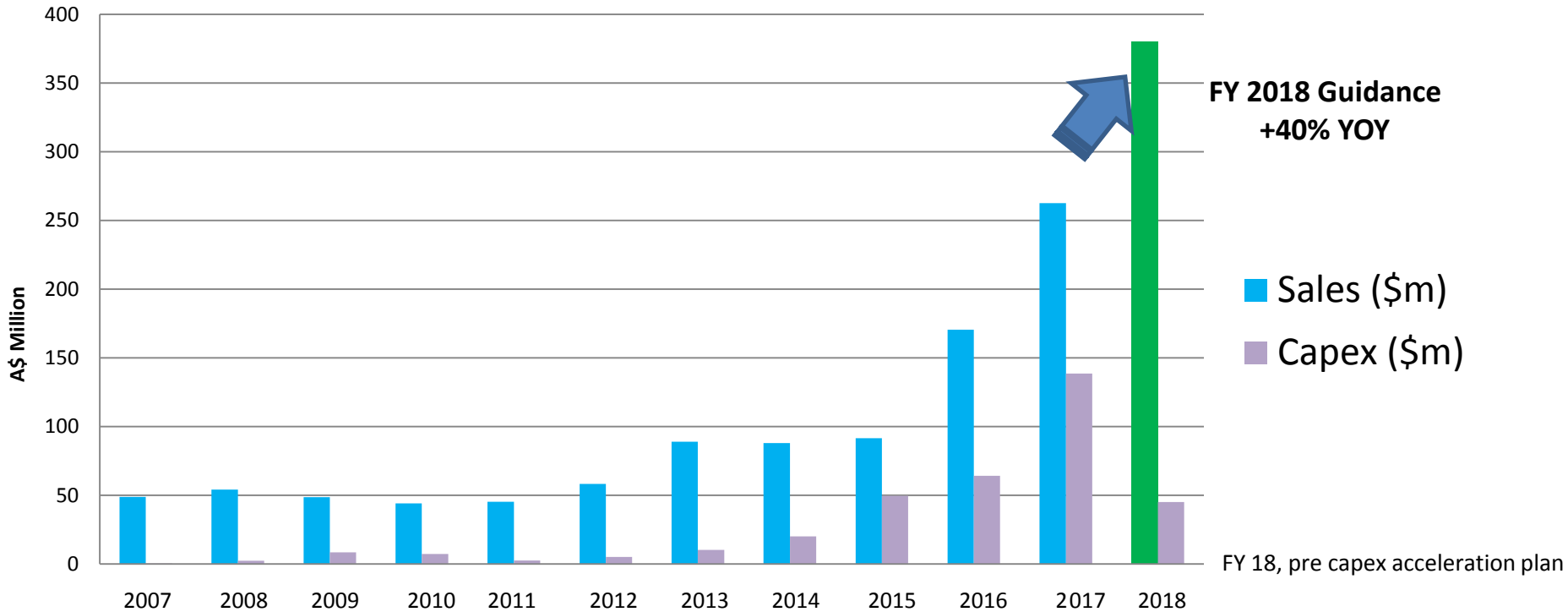


- Growth from category demand, new product development and impacts of structural change in Australia
- Category demand from Australia, SE Asia and China

Note:

- FY 2017 3 Year Business Outlook
- FY 2018 Updated 3 year Business Outlook

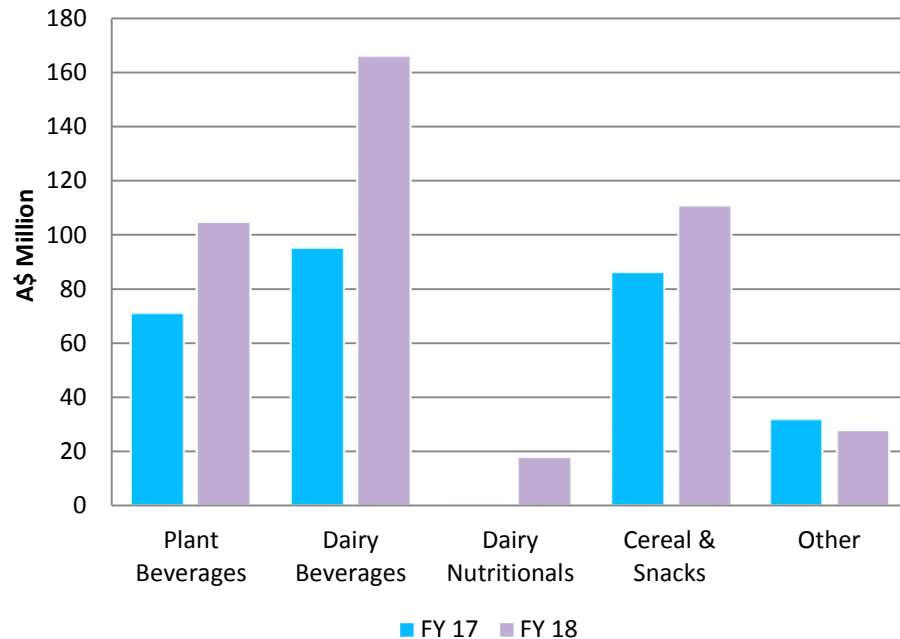
Strong Growth in Forecast Sales



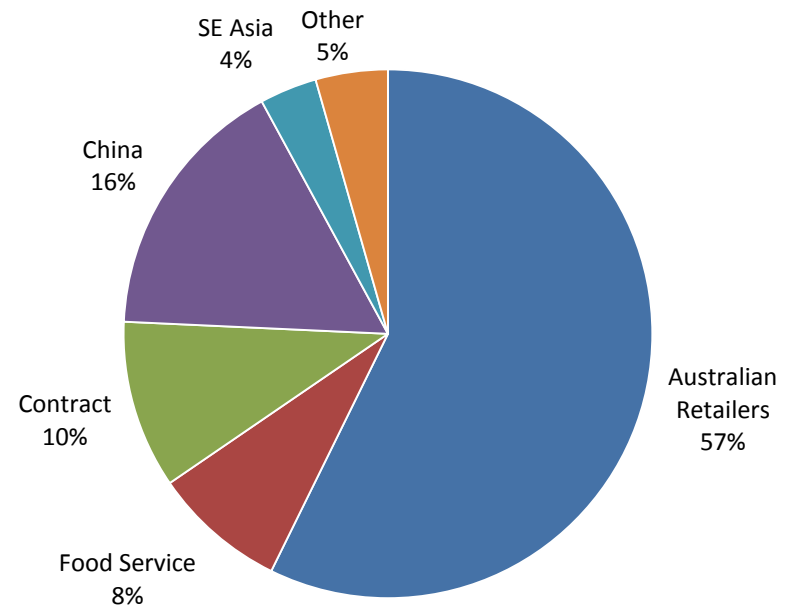
- Significant capex in recent years
- Supporting strong sales growth into FY 2018 and beyond
- Underlying Earnings also expected to accelerate with Sales and Operational throughput benefits

Forecast Gross Sales Mix / Geography

Gross Sales by Business Segment



Gross Sales by Key Category / Geography

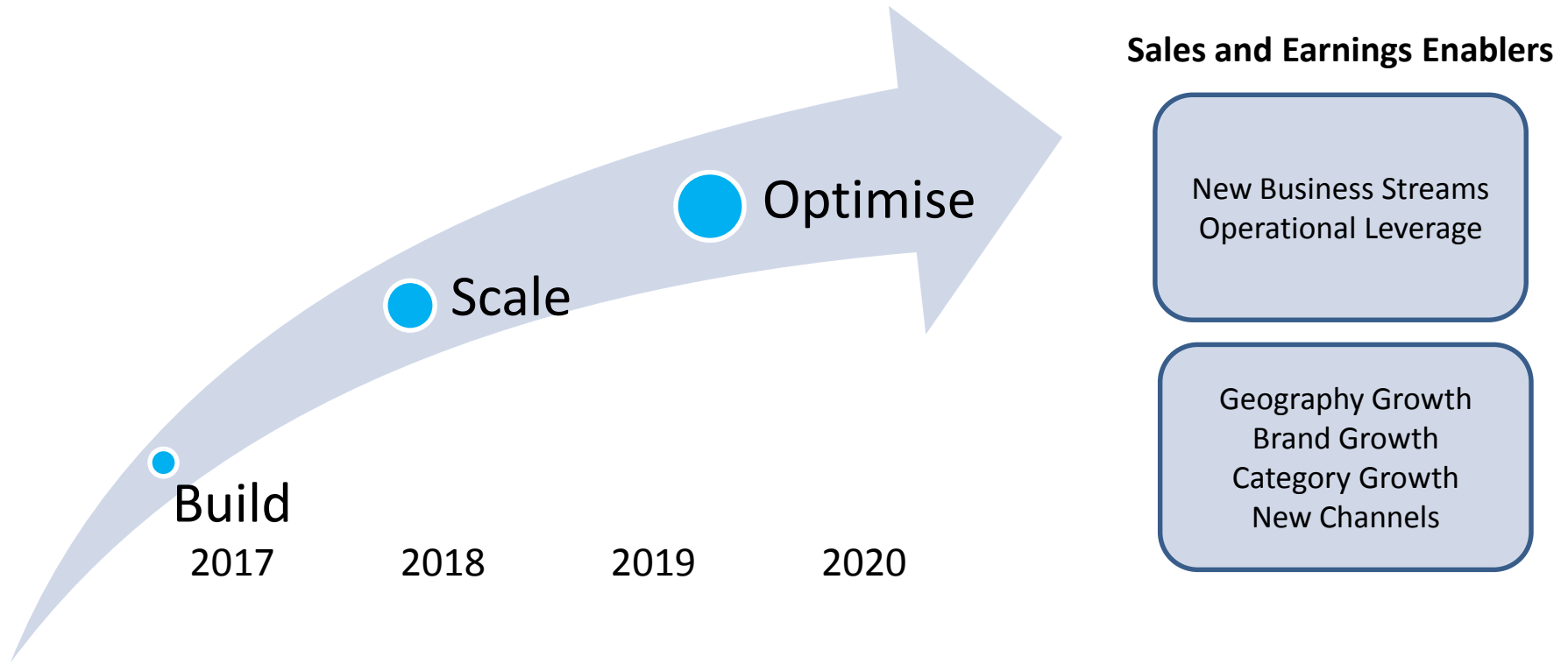


- Gross Sales by Business Group (based on sales forecast guidance)
- Strong growth across key business groups

Note:

- Guidance on sales refers to Net Sales Revenues, being Gross Sales, net of trade deductions.
- FY 2017 Gross Sales Revenues – Actuals by Business Group
- FY 2018 Gross Sales Revenue – Business Estimate, subject to change

Development Curve



- Harvesting benefits of building capacity in brands, innovation and operational capability
- Building sales through expanded share and development of new markets
- Optimising scale economies

Proposed Use of Funds



Use of Funds



CAPITAL UPGRADES

Accelerate \$120m of capital expenditure programs through 2018 / 2019 to bring forward sales and earnings

Demand Capacity Increases

- UHT Processing Upgrade Shepparton
- Filler Upgrades Shepparton, Ingleburn
- Incremental infrastructure upgrades

New Product / Format Capability

- UHT Bottle Capability, Ingleburn
- Yoghurt Processing, Ingleburn

Strategic Value Added Opportunities

- Protein Fractionation / Drying Stage 1
- Protein Drying Stage 2 (2019)
- Blending and Packing Facility

Incremental capital expenditure would be expected on average to deliver return on funds employed above 15% within 18 – 24 months of commencing production

Use of Funds



Balance Sheet Flexibility for Growth

Provide balance sheet flexibility to provide for:

- further demand increases (capital expenditure);
- working capital growth; and
- bolt on acquisitions / joint ventures etc

The Shepparton and Ingleburn sites have additional footprint for further capacity increases beyond expansions indicated through 2018 and 2019. This provides further potential to meet demand growth beyond 2020.

IMPACT ON BALANCE SHEET

On basis of 31st December 2017 Balance Date.

For the period ending...	31 December 2017 (\$'000)	Capital Raising Impact (Day 1)	Proforma Post Capital Raising (\$'000)	Change
Inventory	68,143		68,143	
Trade & Other Receivables	49,071		49,071	
Trade & Other Creditors	(71,346)		(71,346)	
Working Capital	45,868		45,868	
PP&E	307,794		307,794	
Investments	8,734		8,734	
Intangible Assets	104,726		104,726	
Others Assets	3,635		3,635	
Total Fixed Assets	424,889		424,889	
Total Funds Employed	470,757		470,757	
Net Equity	323,628	195,000	518,628	+ 195,000
Total Borrowings	141,234	(100,000)	41,234	- 100,000
Total Cash	(3,573)	(95,000)	(98,573)	+ 95,000
Net Debt	137,661	(195,000)	(57,339)	- 195,000
ND / Equity	42.5%		-11.1%	

Note:

- Does not include impact of movements relating to proposed capital expenditure, working capital growth and other movements to equity. Assumes \$5m in transaction costs
- Long Term gearing target is a debt / equity ratio of 25-35%.

Equity Raising



Details of Equity Raising

\$200 million Equity Raising

- Freedom Foods Group Limited (“**Freedom Foods**”) is raising approximately \$200 million (the “**Equity Raising**”) through:
 - a 3 for 29 accelerated non-renounceable pro-rata entitlement offer (“**Entitlement Offer**”) to eligible shareholders at \$4.80 per share to raise approximately \$100 million; and
 - an institutional placement (“**Placement**”) of approximately 20.8 million new fully paid ordinary shares (“**New Shares**”) at \$4.80 per share to raise \$100 million
- The Equity Raising is supported by cornerstone investor Arrovest Pty Limited (a Perich Group company) (“**Arrovest**”), which has committed to take up its full allocation under the Entitlement Offer
- The Equity Raising has been fully underwritten by Veritas Securities Limited and UBS AG Australia Branch who are Joint Lead Managers

Accelerated Capital Investment and Balance Sheet Flexibility

- Net proceeds from the Equity Raising will be used to fund the Company’s growth strategy including:
 - Increased equity capital provides for acceleration of incremental capacity expansion programs of \$120 million; and
 - \$75 million for balance sheet flexibility for growth including acquisitions and alliances

Details of Equity Raising

The Equity Raising comprises a \$100 million accelerated non-renounceable pro-rata entitlement offer and a \$100 million institutional placement.

Entitlement Offer	<ul style="list-style-type: none"> • 3 for 29 accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer") to raise approximately \$100 million
Institutional Placement	<ul style="list-style-type: none"> • Placement to eligible institutional investors to raise \$100 million ("Placement")
Dividend Eligibility and Ranking	<ul style="list-style-type: none"> • All new Freedom Foods shares issued under the Placement and Entitlement Offer will rank equally in all respects with existing ordinary shares from the date of issue • New shares issued under the Placement do not have rights to participate in the Entitlement Offer • New Shares will not participate in the interim dividend which was announced on 27th February 2018 to be paid in April 2018.
Offer Price and Discount	<ul style="list-style-type: none"> • The Placement and Entitlement Offer will be conducted at an offer price of \$4.80 per New Share, representing a 6% discount to the volume weighted average share price of Freedom Foods over the past 30 trading days⁽¹⁾
Major Shareholder Commitment	<ul style="list-style-type: none"> • Freedom Foods's largest shareholder, Arrovest Pty Limited (a Perich Group company) ("Arrovest"), which holds approximately 58.2% of ordinary shares on issue, has committed to take up its full allocation under the Entitlement Offer, and has agreed to sub-underwrite up to the full balance of the Entitlement Offer • Arrovest will not be participating in the Placement
Retail Offer Booklet	<ul style="list-style-type: none"> • Further details on the Entitlement Offer can be found in the Retail Offer Booklet to be dispatched to eligible Freedom Foods shareholders

(1) For the 30 trading days between 2 February 2018 and 15 March 2018 inclusive

Equity Raising Timetable

Key Events	Key Dates
Trading halt and open Placement and Institutional Entitlement Offer	Friday 16 March 2018
Close Placement and Institutional Entitlement Offer	Friday 16 March 2018
Resume trading, announce results of Placement and Institutional Entitlement Offer	Tuesday 20 March 2018
Record Date for Retail Entitlement Offer (7.00pm, Sydney time)	Tuesday 20 March 2018
Lodgement of Retail Offer Booklet with ASX and dispatch to Shareholders	Thursday 22 March 2018
Retail Entitlement Offer opens	Thursday 22 March 2018
Placement and Institutional Entitlement Offer settlement	Friday 23 March 2018
Allotment and quotation of New Shares issued under the Placement and Institutional Entitlement Offer	Monday 26 March 2018
Retail Entitlement Offer closes	Thursday 5 April 2018
Issue of New Shares under the Retail Entitlement Offer	Thursday 12 April 2018
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Friday 13 April 2018

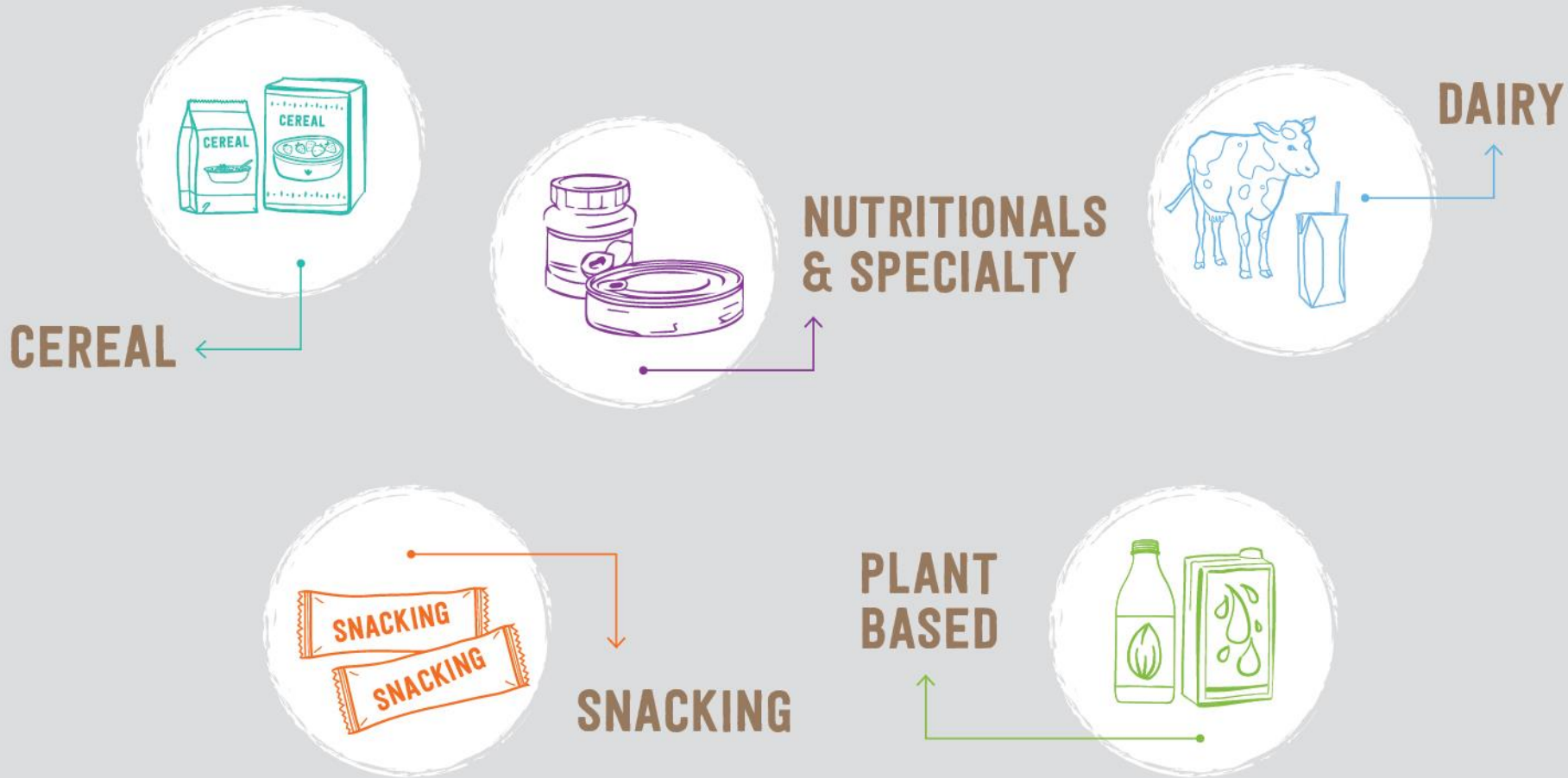
Note:

These dates, along with any other dates noted in this announcement, are indicative and subject to change. All dates and times refer to Sydney, Australia time. Freedom Foods reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, Freedom Foods reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases), and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation and trading of New Shares is subject to confirmation from the ASX.

OUR BUSINESS



WHAT DO WE MAKE



WHERE TO FIND US



WHERE TO FIND US

Australian Retailers



Food Service, Petrol and Convenience



Partnerships and Distribution scale in China, SE Asia



Building Distribution scale in North America



**\$300 Million
Over 3 Years
Investment
in New
Facilities and
Capabilities**

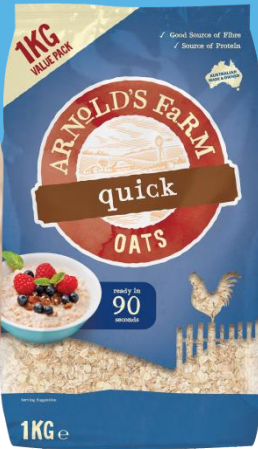


No 1 in UHT Capability in Australasia

- Largest producer of branded and private label UHT milk in Australia
- Complementary production sites in Shepparton and Ingleburn
- Servicing Australia, NZ, China, SE Asia and Middle East



We are one of the
top 2 Producers of
oat based cereals
and snacks in
Australia



Brands Accelerating our Growth

Leveraging current and emerging trends in consumption



Asian Market



Convenience



Source & Provenance



Plant-based



**WE ARE POSITIONED
IN ON TREND GROWTH
MARKETS**

**New Taste
Sensations**



Food as Medicine



Protein



Out-of-home



DISRUPTING CATEGORIES AND CHANNELS



*24 products launched from
August 2017
+ ~40 new branded products will
be launched from May 2018*



Category Leader

- #1 within the Health Food Section of retail supermarkets in Australia
- +40% market share (MAT Scan Data FY 2018)
- Further innovation in value added cereals and snacks including products developed for on the go channels in food service launched in August 2017

freedom[®]
FOODS

Building a Leading Global Dairy Brand Australia's Own Dairy

WELCOME TO AUSTRALIA

Home of Australia's Own



Australian Range launching in Retailers from May 2018

AO KIDS MILK

No 1 Imported Kids Milk in China and this is just the start !

- AO Kids Milk product has continued its strong growth trajectory, with the product now the No 1 imported Kid's Milk brand in China, where it is distributed
- With demand beyond current capacity, the Company installed high speed 200ml capacity at Shepparton. Additional capacity will become available at Ingleburn during CY 2018
- Will be complemented with product extensions into drinking yoghurt in 2018

+ 60 Million Packs in 2018
(from 30m Packs in 2017)



AUSTRALIA'S OWN

ORGANIC

- The trend towards plant based food and beverages is increasing in Australia and global markets, driven by a desire for healthier and “cleaner” lifestyles, which is motivating consumers to focus on fruits, vegetables, nuts, seeds grains and other botanicals
- Upward trend in Plant based branded beverage sales, reflecting strong growth in the Australia's Own range and Blue Diamond Almond Breeze brand in retail channels
- **62% growth in sales, vs prior year period across AO Portfolio¹**

Note:

(1) 8 month period; as at the end of February 2018, compared to the same period in 2017



freedom GROUP
Making food better **FOODS** LIMITED 36



MILKLAB

- The increasing growth of food service channels (e.g. cafes and similar) and demand for plant based milks, has seen increasing demand for coffee milk products
- The Company's range of Barista blend brands including the premium "MilkLab" range, "Almond Breeze" Almond Barista incorporate process technology to deliver a product that "works" with coffee
- **360% growth in the brand over last 12 months in this growing and high margin food service channel**
- We are expanding our food service field team to accelerate this business area in 2018



World
FOOD
Innovation
Awards

2018

In association with



FINALIST

MESSY MONKEYS

- Healthy snacking made for Kids
- **Strong growth since launch in August 2017**
- Extended range and distribution through 2018

FULL OF HIDDEN **GOODNESS** KIDS **LOVE** THE TASTE BUT
ONLY **MUM KNOWS** IT'S GOT THE **GOOD STUFF** INSIDE

**HIDDEN
GOODNESS**

BARLEY⁺

A range of delicious cereals and bars that are uniquely formulated with the superior wholegrain BARLEYmax[™].

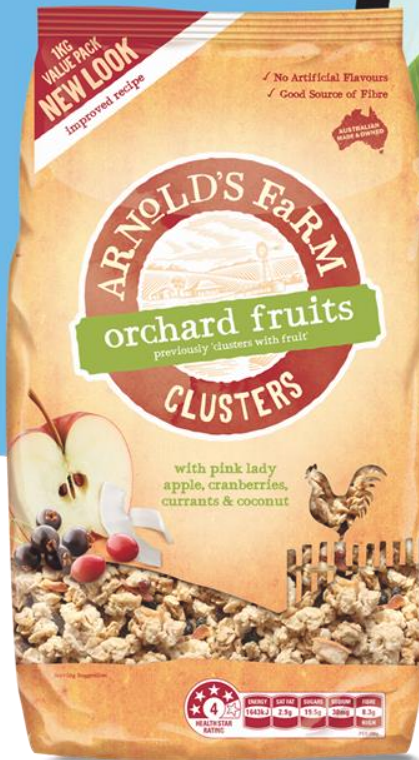
It contains more of the 3 fibre types needed to support good gut health

Our Cereal range was awarded a healthy food guide finalist



Top 3 CEREAL Brand ON TMALL INTERNATIONAL

- The “Arnold’s Farm” brand is ranked Top 3 oat cereals on Tmall International with the cereal category holding significant growth potential
- No. 2 selling cereal SKU on Tmall during Single’s Day sales
- Sales across Australia and China + 41 % vs prior year period¹



Note:

(1) 8 month period; as at the end of February 2018, compared to the same period in 2017

Building a Unique Nutritional Platform



Leveraging our Dairy Base

...and Unique Manufacturing Footprint



Across the Lifestage Nutrition Landscape

Weight Management

- Powders
- Beverages

Clinical Nutrition

- Powders
- Beverages

Sports Nutrition

- Powders
- Beverages

Functional Nutrition

- Fortified
- Value Added

Infant & Growing Up

- Infant Nutrition
- Growing Up Dairy

Everyday Dairy

- Milk
- Yoghurt
- Cream



Performance Nutrition

The Company is leveraging its growing dairy capabilities to build a branded high margin product portfolio in specialty nutritional products.



ADULT NUTRITION

Introducing real innovation into the Adult Nutrition category, leveraging our overall Nutritional capabilities

Launching a range of Adult Nutrition products from **May 2018**

Products will provide a clear functional benefit for the over 40 adult target market, including in powder and drinkable formats, distributed through retail and pharmacies

Vitalife.™



Infant Nutrition

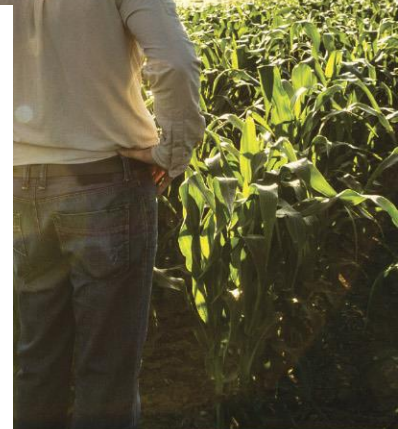
The Company is leveraging its growing dairy capabilities to build a branded high margin product portfolio in specialty infant nutrition products. (1)



Shepparton Facility

Ingleburn Facility

Note 1: Aligned to these capabilities, the Company is in the final stages of negotiating, with one of its China based partners, a partnership in relation to the infant manufacturing capabilities at its Shepparton site. The Company would seek to obtain registration with the China Food and Drug Administration (CFDA) for sale of these products to China.



Appendix A

1st Half FY 2018 FINANCIALS



OPERATING EBITDA

Underlying vs Statutory

6 Months to 31 st December (A\$ m)	1H18	1H17	Movement
Operating EBDITA⁽¹⁾	16.0	12.5	+ 3.5
Gain on Sale of Ingleburn	3.4	–	+ 3.4
Other Costs not representing underlying performance ⁽²⁾	(6.1)	0.2	(5.9)
Employee Share Option Expense (non cash) ⁽³⁾	(0.4)	(0.2)	(0.1)
Statutory EBDITA	12.9	12.5	+ 0.4

Notes:

- (1) Operating EBDITA (Earnings before depreciation, interest, tax and amortisation) is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Operating EBDITA is used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments.
- (2) 1H18 other costs not representing underlying performance includes once off unrealised foreign exchange loss of \$780k and restructuring costs of \$4.8m including costs relating to discontinued operations at Taren Point realised in the half.
- (3) Non cash employee share option expense of \$356k in 1H18.

FINANCIAL SUMMARY

6 Months to 31 st December	1H18 \$'000	1H17 \$'000	% Change
Net Sales Revenue	159,563	123,852	+28.8%
EBDITA (Underlying Operating) ⁽¹⁾	16,008	12,500	+ 28.1%
EBDITA (Statutory)	12,896	12,461	+ 3.5%
Equity Associates Share of Profit ⁽²⁾	240	240	-
Pre Tax Profit (Operating)	7,584	7,277	+ 4.2%
Pre Tax Profit (Reported)	4,472	6,744	- 33.7%
Income Tax (Operating)	2,579	1,965	+ 31.3%
Net Profit (Operating)	5,005	5,312	- 5.8%
Net Profit (Reported)	2,951	4,475	- 34%
Interim Ordinary Dividend (cps)	2.25	2.00	+ 12.5%
Interim CRPS Dividend (cps)	1.35	1.35	-
EPS (cents per share) (Fully Diluted for CRPS)	1.61	2.51	- 35.9%
EPS Operating (cents per share) (Fully Diluted)	2.45	4.58	- 46.6%
Net Debt / Equity	42.5%	9.2%	
Net Assets per Share (cents)	160.5	179.3	- 10.5%
Net Tangible Assets per Share (cents)	108.6	143.1	-24.1%

Notes:

- (1) Underlying Operating EBDITA excludes pre-tax abnormal or non-operating charges including an add back of non cash employee share option expense of \$356k. 1H18 other costs not representing underlying performance includes once off unrealised foreign exchange loss of \$780k and restructuring costs of \$4.8m including costs relating to discontinued operations at Taren Point realised in the half.
- (2) Equity Associates is share of NPAT of Australian Fresh Milk Holdings (10% equity interest held by Freedom Foods Group).

FINANCIAL SUMMARY BY BUSINESS UNITS

6 months to 31 st December 2017 (A\$m)	Cereal & Snacks	Plant Based Beverages	Dairy Beverages	Specialty Seafood	Nutritionals	Others	Total
Net Sales Revenue	52.5	36.3	57.4	7.7	5.7	–	159.6
Trading EBDITA	7.3	8.2	4.6	0.9	1.3	–	22.4
Equity Associates ⁽¹⁾						0.2	0.2
Corporate Costs ⁽²⁾						(6.6)	(6.6)
Operating EBDITA	7.3	8.2	4.6	0.9	1.3	(6.4)	16.0
Net Sales Change (YOY %)	+19.2%	+23.0%	+30.9%	+18.9%	+100.0%		+28.8%
Net Sales Change (YOY \$m)	+8.5	+6.8	+13.5	+1.2	+5.7		+35.7
Trading EBDITA Change (YOY %)	+24.7%	+26.5%	+38.0%	+12.3%	+100.0%		+35.2%
Trading EBDITA Change (YOY \$m)	+1.4	+1.7	+1.3	+0.1	+1.3		+5.8
Trading EBDITA Margin (%)	13.9%	22.7%	8.1%	12.0%	22.5%		14.0%
Trading EBDITA Margin Prior Year (%)	13.3%	22.1%	7.7%	12.7%	n/a		13.4%

Notes:

(1) Equity Associates is share of NPAT of Australian Fresh Milk Holding (10% equity interest held by Freedom Foods Group).

(2) Corporate costs exclude non cash employee share option expenses of \$356k.

CASH FLOW

<i>6 Months to 31st December</i>	1H18 <i>(\$'000)</i>	1H17 <i>(\$'000)</i>
Cash from Operating Activities	27,024	9,099
Payments for Restructuring	(1,182)	-
Net Interest Paid	(2,276)	(2,539)
Income Taxes Paid	(3,613)	-
Total Cash from Operating Activities	19,953	6,560
Capex on PP&E	(50,900)	(58,190)
Proceeds from Disposal of Assets	74,966	-
Net Cash used in Investing Activities	24,066	(58,190)
Net Proceeds from Equity Issuance	135	62,667
Dividends Paid	(1,409)	(1,038)
Proceeds / (Repayment) of Borrowings	(43,975)	1,319
Other Payments	641	(966)
Net Cash from Financing Activities	(44,630)	60,446
Net Increase / (Decrease) in Cash	(611)	8,816
Ending Cash Balance	3,573	72,724

Appendix B

Key Risks



Key Risks

A number of risks and uncertainties, which are both specific to Freedom Foods and of a more general nature, may affect the future operating and financial performance of Freedom Foods and the value of its shares. While some common risk factors are set out below, it is not possible to produce an exhaustive list. You should carefully consider the following risk factors, as well as the other information provided by Freedom Foods in connection with the Equity Raising, and consult your financial and legal advisers before deciding whether to invest. The risks and uncertainties described below are not the only ones facing Freedom Foods. Additional risks and uncertainties that Freedom Foods is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Freedom Foods's operating and financial performance.

SPECIFIC RISKS THAT AFFECT FREEDOM FOODS

Investors should be aware of the risks associated with an investment in Freedom Foods. In particular, prospective investors should consider the following, which is not intended to be an exhaustive list.

Competition

- Freedom Foods and its associated entities operate in a competitive market environment. There can be no guarantees that the competitive environment in which Freedom Foods and its associated entities currently operate will remain the same. New entrants, a material adverse change to the competitive environment or new initiatives implemented by competitors may have a material impact on the operating and financial performance of Freedom Foods and its associated entities.

Product Liability and Compliance

- Freedom Foods and its associated entities have procedures and policies in place to ensure compliance with the Australian and New Zealand Food Standards and to ensure Freedom Foods's products are free from contamination. Contamination, or an extortion threat on the basis of an alleged or actual contamination, of one of Freedom Food's and its associated entities' products, may lead to business interruption, product recalls or liabilities to consumers. While Freedom Foods maintains insurance cover with respect to a certain number of these risks, Freedom Foods and its associated entities may not be able to enforce its rights in respect of these policies. If Freedom Foods and its associated entities do recover an amount under their insurance policies for loss suffered, it may not be sufficient to offset any damage to the financial condition, reputation or prospects of Freedom Foods and its associated entities caused by the contamination or extortion threat. Product contamination or an extortion threat may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.
- Failure to comply with Australian and New Zealand Food Standards or other laws and regulations governing the manufacturing and sale of food could result in revocation of licences or registrations Freedom Foods and its associated entities require in order to conduct their business. This may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.
- Freedom Foods and its associated entities operate and export product to international jurisdictions which may require licences or registrations. Failure to comply with the relevant laws and regulations may result in the failure to renew or obtain such licences or registrations that Freedom Foods and its associated entities require in order to conduct their business

Key Risks (cont'd)

Delisting of a Significant Number of Product Lines by a Major Customer

- The Freedom Foods business units have strong relationships with major retail customers that make it unlikely that they will be delisted entirely as a supplier. While each of the business brands have established major segment positions that is being actively supported by their retailer customers, there is a risk that certain product lines may be delisted due to retailer strategy, competitive pressure or perceived underperformance. The business has an active process of reviewing and upgrading product lines to assist their competitive position.

Consumer Preferences and Perceptions

- Freedom Foods and its associated entities' business may be affected by changes in consumer tastes, international, national, regional and local economic conditions and demographic trends. There could be a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities if health or dietary preferences cause consumers to avoid Freedom Foods and its associated entities' products in favour of alternative products.

Reputation and Brand Names

- The success of Freedom Foods and its associated entities is highly reliant on its reputation and branding. Any factors or unforeseen issues or events that diminish Freedom Foods and its associated entities' reputation or brand names may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.

New Products and Innovations

- Some of the new products or brands which Freedom Foods and its associated entities may launch in the future and upon which Freedom Foods proposes to develop its business, may not be successful. This may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities. There is also a risk that certain new products that Freedom Foods and its associated entities may introduce will be competitively inferior to similar products manufactured and sold by competitors. In addition, there may be technological or product innovations in the future which may impact on the perceived benefits of Freedom Foods and its associated entities' products which may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.

Finished Goods and Raw Material Price Changes

- While a number of the finished goods and raw materials purchases by Freedom Foods are subject to continual price movement, Freedom Foods purchases these items on forward contracts, which typically provide cover for periods between 3 and 6 months ahead depending on the nature of the product. These periods may not provide management and the business adequate time to pass price increases on to the customer through retail pricing or re shape the product to maintain margins.

Key Risks (cont'd)

Freedom Foods' Growth Strategies May Not Achieve Their Objectives

- Freedom Foods has identified a number of growth strategies to continue to drive margin improvements and sales growth. There is a risk that the implementation of Freedom Foods's growth strategies could be subject to delays or cost overruns and there is no guarantee that these initiatives and strategies will generate the full benefits anticipated or result in sales growth. Any delay in implementation, failure to successfully implement, or unintended consequences of implementing any or all of Freedom Foods's growth strategies may have an adverse effect on Freedom Foods's future financial performance.

Relationships with Suppliers

- Freedom Foods and its associated entities have a number of important arrangements with key suppliers. If Freedom Foods and its associated entities' relationships with any of these suppliers deteriorates or the supplier ceases trading for any reason and Freedom Foods and its associated entities' inventory is depleted, Freedom Foods and its associated entities may not be able to source alternative products or raw materials immediately or only on less favourable terms. Any event that results in Freedom Foods and its associated entities incurring higher costs from suppliers that cannot be passed on to the consumer may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.

Insurance

- Freedom Foods and its associated entities have in place insurance which it considers appropriate to its circumstances. However, not all material risks associated with Freedom Foods and its associated entities' business have been insured, as the relevant insurance may not be available or on terms which the Directors consider appropriate. In addition, no assurance can be given that Freedom Foods and its associated entities' insurance will be available in the future on reasonable terms or will provide adequate coverage against claims made. If Freedom Foods and its associated entities incur uninsured losses or liabilities, this may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.

Intellectual Property

- Freedom Foods and its associated entities maintain trade mark registrations in more than 5 jurisdictions around the world, which provide the legal underpinning for Freedom Foods and its associated entities' brands. Freedom Foods and its associated entities' trademarks and other intellectual property rights, are important to Freedom Foods and its associated entities' ongoing success and competitive position. If the actions taken to establish and protect Freedom Foods and its associated entities' trademarks and other intellectual property rights are not adequate to prevent product imitation or to prevent others from seeking to block sales of Freedom Foods and its associated entities' products, it may be necessary for Freedom Foods and its associated entities to initiate or enter into litigation in the future to enforce Freedom Foods and its associated entities' trade mark rights or to defend against claims of infringement. Any legal proceedings could result in an adverse determination, which may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.

Key Risks (cont'd)

Environmental Risk

- Freedom Foods and its associated entities' operations are subject to environmental laws and regulations. Freedom Foods and its associated entities could incur material costs in order to comply with those laws and regulations, or as a consequence of a breach of those laws and regulations. Such costs could arise due to the historic operations and activities of others conducted on a site owned or operated by Freedom Foods and its associated entities. Those costs may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities. In addition, changes to environmental laws and regulations may have a material adverse impact on the operating and financial performance of Freedom Foods and its associated entities.

Key Personnel Risk

- In common with many businesses, the success of Freedom Foods will, to a significant extent, be dependent on the expertise and experience of the Managing Director and other senior management, the loss of one or more of whom could have a material adverse effect on Freedom Foods. Whilst Freedom Foods has entered into service agreements with the Managing Director and other senior management and they are shareholders, the retention of their services cannot be guaranteed.

Banking Facilities

- There are certain conditions attaching to Freedom Foods's existing bank facility which will determine the extent of the facility available to Freedom Foods. If those conditions are not met, Freedom Foods may not have available funds sufficient to enable it to conduct business in the manner envisaged. Freedom Foods has established bank facilities comprising equipment finance, trade facilities and debtor finance facilities inclusive, secured by first registered mortgage over all the Group's property.

Taxation Implications

- Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Freedom Foods securities, or the holding or disposal of those securities. Further, changes in taxation law or to the way taxation law is interpreted in the various jurisdictions in which Freedom Foods operates, may impact Freedom Foods's future tax liabilities.

Credit Risk

- Credit market conditions and the operating performance of Freedom Foods will affect borrowing costs as well as Freedom Foods's capacity to repay, refinance and increase its debt.

Key Risks (cont'd)

GENERAL RISKS RELATING TO EQUITY INVESTMENTS AND MARKETS

- Investors should be aware that there are risks associated with any investment listed on the ASX. The value of Shares may rise above or fall below the Equity Raising price, depending on the financial condition and operating performance of Freedom Foods. Further, the price at which Shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of Freedom Foods and over which Freedom Foods and its directors have no control.
- These external factors include:
 - economic conditions in Australia and overseas;
 - investor sentiment in the domestic and international stock markets;
 - changes in fiscal, monetary, regulatory and other government policies; and
 - geo-political conditions such as acts or threats of terrorism or military conflicts.
- Investors should note that the historic share price performance of Shares provides no guidance as to its future share price performance.

Shares held by Controlling Shareholder

- Following completion of the Equity Raising, the current controlling shareholder, Arrovest Pty Limited ("**Arrovest**") will continue to hold a controlling interest of up to a maximum of 57% in the Shares, which may impact liquidity of the Shares
- The absence of any sale of Shares by Arrovest may cause, or at least contribute to, limited liquidity in the market for the Shares. This could impact the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that, on a disposal, Shareholders may receive a market price for their Shares that is less than the price that they paid under the Equity Raising
- A significant sale of Shares by Arrovest, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares. The interests of Arrovest may be different from the interests of other investors including existing shareholders or other investors who acquire Shares in the Equity Raising
- Arrovest will have effective control of the Company through the ability to pass ordinary resolutions (and potentially special resolutions depending on Shareholder turnout at general meetings) of the Company without the need for any additional Shareholder support. In particular, this will (among other things) enable Arrovest to control the appointment and removal of Directors of the Company, and consequently, the financial and operating policies and the strategic direction of the Company. Arrovest will also solely be able to control the approval of certain transactions involving the Company including the issue of shares beyond the limits set under the ASX Listing Rule and Shareholders may be diluted as a result

Appendix C

Foreign Selling Restrictions



Foreign Selling Restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("**New Shares**") of Freedom Foods in any jurisdiction in which it would be unlawful. This document may not be distributed to any persons and the New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**").

The New Shares in the Placement and Entitlement Offer are not being offered to the public within New Zealand other than to existing shareholders of Freedom Foods with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Placement and Entitlement Offer, the New Shares may not be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; or
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; or
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act; or
- subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ\$750,000.

Foreign Selling Restrictions (cont'd)

Germany

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("**Prospectus Directive**"), as amended and implemented in Member States of the European Economic Area (each a "**Relevant Member State**"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000, (ii) annual net turnover of at least €40,000,000, and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, MiFID); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong

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The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Foreign Selling Restrictions (cont'd)

Norway

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This document has been given to you on the basis that you are (i) an existing holder of Freedom Foods’ shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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Foreign Selling Restrictions (cont'd)

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