

13th August 2018

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Freedom Foods Group Limited (ASX: FNP)
Acquisition of Crankt Protein Brand

Freedom Foods Group Limited (Freedom Foods or the Company) (ASX: FNP) advises that it has completed an agreement to acquire the Crankt Protein brand.

As advised in February 2018, the Company had entered into an initial exclusive distribution agreement for the Crankt Protein brand for a minimum period of 3 years, with rights to acquire the brand based on sales performance.

Following discussions with the brand owner and based on growth in sales since commencement of the distribution arrangement, the Company decided to bring forward the acquisition of the brand.

Crankt Protein brand markets a range of mainstream nutrition products, including beverages and snack bars. The Crankt Protein range is sold through petrol and convenience, fitness retailers and retail grocery in Australia and New Zealand.

The integration of the Crankt brand into Freedom Foods has provided for the expansion of its brand and category segment offering into the broader everyday on the go nutrition market in Australia, leveraging existing retail customer and distribution capabilities.

The Crankt brand has strong distribution into petrol and convenience chains which provides an opportunity for Freedom Foods to expand distribution of its expanding product range into this growing channel. In FY 2018, petrol and convenience channels in Australia accounted for 50% of total Crankt brand sales.

The Crankt brand provides for an everyday mainstream consumer proposition, aligned to the Freedom Foods Vital Strength brand which is positioned as a premium brand in the sports and nutrition category.

Importantly, the Crankt brand provides a unique vertical integration to the Company's expanding packaging capabilities in beverage and bar formats and sourcing of protein ingredients from internal dairy nutritional capabilities coming online at Shepparton in early 2019.

The acquisition consideration was a gross value of \$3.5 million. After deductions for working capital loans and other offsets, the net cash consideration payable is \$2.3 million.

The gross purchase value of \$3.5 million is estimated to equate to a price to gross sales multiple of 0.5x on FY 2019 forecast sales.



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FNP Forward Looking Statements

Freedom Foods Group Limited (FNP) advises that this document and any related materials and cross-referenced information may contain forward looking statements (including statements, calculations and projections concerning the anticipated performance of FNP and the industries and markets in which it operates) that may be subject to significant uncertainties outside of the control of FNP and matters and events unknown at this time.

No representation is made as to the accuracy or reliability of forward looking statements or the assumptions on which they are based. These forward looking statements may or may not prove to be correct and FNP and any person associated with the preparation of this document accepts no responsibility or liability in relation to their accuracy or reasonableness.

You are cautioned not to place reliance on any forward looking statement and must make your own independent investigations and/or seek professional advice regarding the accuracy, reasonableness and completeness of any forward looking statement or other information in this document.



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CRANKT PROTEIN SHAKES & BARS GIVE YOUR BODY THE ENERGY, NUTRIENTS & STRENGTH IT NEEDS TO POWER THROUGH YOUR DAY

- High in protein and dietary fibre
- Low in carbohydrates, fats and sugars
- Packed with additional vitamins and minerals
- Designed to improve stamina, helping you to sustain energy.

