

ASX Announcement

23 May 2019

**CLEANSING NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH)**

This notice is given by Freedom Foods Group Limited ("**Freedom Foods**") under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) ("**Corporations Act**") as modified by *Corporations (Non-Traditional Rights Issues) Instrument 2016/84* of the Australian Securities and Investments Commission ("**ASIC Modification Instrument**").

Freedom Foods today announced an accelerated pro rata non-renounceable entitlement offer of 1 fully paid ordinary share ("**Shares**") for every 18 Shares held as at 7.00pm (Sydney time) on 27 May 2019 by eligible shareholders ("**Entitlement Offer**") at \$4.80 per Share to raise approximately \$65 million. In addition to the Entitlement Offer, Freedom Foods will separately conduct a placement (also at \$4.80 per Share) to institutional and sophisticated investors to raise approximately \$65 million ("**Placement**").

Further details regarding the Entitlement Offer are set out in the ASX announcement and investor presentation accompanying this notice.

Freedom Foods confirms that:

- (a) the Shares to be issued pursuant to the Entitlement Offer will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by the ASIC Modification Instrument;
- (c) as at the date of this notice, Freedom Foods has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to Freedom Foods; and
  - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no "excluded information" of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7)(d) of the Corporations Act as modified by the ASIC Modification Instrument; and
- (e) the potential effect that the Entitlement Offer will have on the control of Freedom Foods, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the size of the Entitlement Offer, the composition of Freedom Foods's share register and the structure of the Entitlement Offer as a pro rata offer, Freedom Foods does not expect the Entitlement Offer to have any material effect or consequence on the control of Freedom Foods. The potential effect that the Entitlement Offer will have on the control of the Company is as follows:



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- (i) if all eligible shareholders take up their rights under the Entitlement Offer, there will be no effect on the control of Freedom Foods (subject to paragraph (e)(iii) below);
- (ii) to the extent that any eligible shareholder fails to take up their rights under the Entitlement Offer, that eligible shareholder's percentage holdings in Freedom Foods will be diluted by those other eligible shareholders who take up some or all of their entitlement and the persons taking up the shortfall under the underwriting arrangements described below;
- (iii) the Entitlement Offer is fully underwritten by Veritas Securities Limited and UBS AG, Australia Branch ("the **Underwriters**"), who have secured sub-underwriting participation from Arrovest Pty Ltd ("**Arrovest**") which is Freedom Foods's largest shareholder, with voting power of approximately 54.86% in Freedom Foods's ordinary shares as at the date of this notice. Arrovest has indicated that it will take up to its full pro rata entitlement under the Entitlement Offer and has agreed with the Underwriters to sub-underwrite up to \$29.57 million of any shortfall arising under the Entitlement Offer (i.e. any Shares not taken by other eligible shareholders under the Entitlement Offer). To the extent that no persons other than Arrovest take up their rights under the Entitlement Offer as described above and Arrovest accordingly takes up a further \$29.57 million of Shares under the sub-underwriting arrangement, Arrovest's voting power will decrease by a maximum of approximately 1.91%. Any decrease in Arrovest's voting power in Freedom Foods will be minimal and will have minimal practical impact on the control of Freedom Foods as Arrovest is already its controlling shareholder; and
- (iv) the proportional interests of shareholders who are not eligible shareholders (who are estimated to hold less than approximately 0.04% of Freedom Foods's issued Shares) will be diluted because those shareholders are not entitled to participate in the Entitlement Offer.

For further information, please contact our offer information hotline on 1300 495 169 (within Australia) and +61 1300 495 169 (outside Australia), during the offer period.

Yours sincerely



**Rory J F Macleod**  
**Managing Director**  
**Freedom Foods Group Limited**