

Tuesday, 25 May 2021

ASX Market Announcements  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

### **Extraordinary General Meeting - Chair's Address**

In accordance with ASX Listing Rule 3.13.3, I attach a copy of the Chair's address to be delivered today at Freedom Foods Group Limited's (ASX:FNP) Extraordinary General Meeting.

#### **Investor enquiries:**

Justin Coss  
Company Secretary  
Freedom Foods Group Limited  
+ 612 9526 2555  
[justin.coss@ffgl.com.au](mailto:justin.coss@ffgl.com.au)

#### **Media enquiries:**

Clive Mathieson  
Cato & Clive  
+61 411 888 425  
[clive@catoandclive.com](mailto:clive@catoandclive.com)

*This announcement was authorised by the Board of Directors.*



# MAKING FOOD BETTER

## **Chair's Address**

**Genevieve Gregor**

**25<sup>th</sup> May 2021**

Ladies and Gentlemen, good morning. It is now 10:00am and I have been informed by the Company Secretary that a quorum is present and so I declare this Extraordinary General Meeting of shareholders in Freedom Foods Group Limited open.

For those I have yet to meet, my name is Genevieve Gregor and I am the Chair of the Freedom Foods Group.

I would like to begin by acknowledging the Traditional Custodians of the land on which we meet today, and pay my respects to their Elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

Today's meeting will take place as a hybrid meeting which allows shareholders, proxyholders and guests to attend the meeting either in person in the Sydney CBD or online. Regardless of how you have chosen to attend the meeting today, all shareholders and proxyholders will have the opportunity to ask questions and cast votes.

I am joined today in person or by phone by my fellow Board members, Deputy Chair, Tony Perich, Non-Executive Independent Directors, Jane McKellar and Stuart Black, and Non-Executive Director, Timothy Bryan. Also attending the meeting are Michael Perich, the Group CEO, Josée Lemoine, the Group CFO, Justin Coss, the Group General Counsel & Company Secretary and Scott Standen, our Co-Company Secretary, and a number of our staff and advisers.

Now before we get too far into the meeting, I wanted to point out that for those shareholders not attending in person today, if you lose connection to the meeting at any time, you can log back into the EGM Online platform by returning to the Link login page and following the prompts. You will then receive an automated email with a recovery link which will re-connect to the EGM. Alternatively, please call our share registry provider, Link Market Services on 1800 990 363 for assistance.

The Notice of Meeting was published on the ASX and sent to shareholders on Monday, 26 April 2021. I will take the Notice of Meeting and the accompanying Explanatory Statement as having been read.

Today's meeting will be structured as follows:

- I will provide a brief overview of the Company's Recapitalisation and turnaround strategy and give some broader background to the resolutions you are being asked to vote on today
- our Company Secretary, Justin Coss, will then go through some procedural matters including how you can ask questions and submit your votes in person or online
- after that, I will open the floor for shareholders and proxyholders to ask any questions
- and finally, we will run through each of the thirteen ordinary resolutions, as presented in sequence on the slides and proceed to vote on each resolution.

### **Chair's Address – Genevieve Gregor**

Let me firstly address the recapitalisation.

This is an important meeting in the history of Freedom Foods Group, one that we believe will mark the start of a new era for your company.

Today, you are being asked to vote on a number of resolutions, all related to the recapitalisation plan that we first announced at our Annual General Meeting in January and confirmed in March.

As you know, this plan involved:

- an Offer of up to \$130 million of Convertible Notes to eligible Wholesale Investors; and
- a placement of up to \$200 million of Notes to Arrovest, our majority shareholder, subject to the Company having the ability to scale back Arrovest's investment to a minimum of \$135 million depending on the level of participation under the Wholesale Investor Offer.

We were pleased to announce yesterday the results of the capital raising, which has raised the full amount of \$265 million. We were particularly pleased that the Wholesale Investor Offer was oversubscribed, enabling us to reach an agreement with Arrovest to scale back its minimum commitment by that amount.

In total, Arrovest, which is the Perich family investment vehicle, has committed \$126.1 million through the Placement, while existing and new investors have committed \$138.9 million through the Notes issues by way of \$130 million from the Wholesale Investor Offer and the balance of \$8.9 million under the Company's existing placement capacity. This will enable us to repay approximately \$231m in bank debt, with the balance going towards working capital as we continue our turnaround.

Today's meeting is one of the final steps in completing the recapitalisation of the Company.

Today, we will also seek your support for the issue of up to 40.8 million options to all Freedom Foods Group shareholders (excluding Arrovest and certain shareholders outside of Australia and New Zealand) to enable you to participate in any potential upside as we continue the turnaround of the company.

Working with our expert advisers, the Board sought input from the market, including many existing investors, and determined that this recapitalisation structure was the best outcome for the company and its shareholders given the challenging circumstances we found ourselves in last year.

However, we are confident that with the proposed capital structure and the support of existing and new investors, we can continue rebuilding this business around a portfolio of well-known and well-loved brands – Australia's Own, MILKLAB, PUREnFERRIN and Vital Strength, to name a few.

So much progress has already been made.

As we have outlined previously, we have refreshed the Board and overhauled the executive team; we have conducted a detailed review of every brand and product to ensure we are focusing on those with the most profitable potential; we have dramatically improved governance and protocols, systems and processes; we have identified and, in the case of Cereal & Snacks, divested non-core assets; we have empowered our people; and we have worked relentlessly to instil a culture of discipline and accountability.

The one thing we do not want to lose is our culture of innovation, which in the past has enabled us to build valuable new brands and capture new markets. We do, however, want to contain these entrepreneurial spirits within our culture of discipline and accountability, so that every investment and opportunity is thoroughly assessed, and every dollar wisely spent.

I can say with confidence that, at every level, this is a demonstrably better managed and better governed business than it was 12 months ago. The missing piece has been a stable, long-term capital structure – something we are addressing today.

Signs that our turnaround strategy is working are starting to come through in our financial performance. Although our March quarter results, were affected by seasonal factors, as foreshadowed, there were positive signs, including continued strength in plant-based beverages sales, led by solid quarter-on-quarter growth of MILKLAB.

The plant-based beverage business is one of the two cornerstones of our growth strategy, tapping into the growing consumer demand for more healthy food and beverage choices. This month, we launched the first consumer-facing advertising campaign to promote MILKLAB, which is already Australia's favourite barista beverage range.

The other cornerstone of our growth strategy is the Dairy and Nutritionals business, which is undergoing a significant operational turnaround. This transformation strategy is focused on a number of areas, each critical to returning the business to sustainable and profitable growth, including reducing wastage, improving production efficiencies, removing or reducing unprofitable products, optimising milk supply and curtailing losses from the sale of surplus milk, as experienced in the past.

The turnaround of Freedom Foods Group since the middle of last year would not have been possible without the ongoing support of our majority shareholder, Arrovest, and our ability to agree a standstill agreement with our banks while we worked through the best options for the recapitalisation.

The continued support of Arrovest underpins the recapitalisation plan. The Perich family has been a committed shareholder in Freedom Foods Group for more than 15 years and will remain so following completion of the recapitalisation.

By voting for the resolutions today, you will join us on this journey.

Your support for the recapitalisation will allow us to consolidate the gains we have already made and set the Company up to continue and complete its turnaround strategy, restoring Freedom Foods to sustainable and profitable long-term growth.

Today is your opportunity to ask the Board about the recapitalisation plan and the resolutions themselves.

We want to have the opportunity to hear from as many of you as possible but given many of the resolutions are very similar, I propose to take all questions, on all topics, in one block before moving into the formal business of meeting to vote on the individual resolutions.

I will now hand over to our Company Secretary, Justin Coss, to go through the question time and voting mechanics for the meeting.