



31 August 2021

## Project Update

**Happy Valley Nutrition Limited (ASX: HVM; Happy Valley or the Company)** is pleased to update shareholders on the overall progress for the development of the Company's state of the art nutritional grade processing facility in Otorohanga, New Zealand.

Consistent with previous updates, the earthworks required ahead of the commencement of plant construction are on track and on budget.

As outlined in the quarterly update, the Company has selected a preferred equipment supply and construction contractor and will work with them over the coming period to finalise design requirements.

The Company is continuing to focus on progressing discussions with a range of parties to secure the debt and equity funding required to commence the main construction programme, previously targeted for completion by the second half of CY2021.

Given the current Covid-19 environment and related travel restrictions, the Company is now unlikely to secure the necessary equity financing by the second half of CY2021. Discussions on the debt funding are well advanced.

As a result, the Company has decided to delay the next phase of the project until sufficient capital has been raised, this also impacts the first-product delivery date of August 2023.

The Company is conducting a strategic review of the optimal structure and timing for raising capital which may include a sale of an interest in the underlying project. Advisors have been appointed to assist the Company in this regard.

HVM has the full support of its senior debt provider Merrick Capital, who, we are pleased to confirm, extended its debt facility to the Company from 31 March 2022 to 15 December 2022. The facility limit has also been revised to NZ\$10.3M, including capitalised interest and other fees<sup>1</sup>.

### **Comment**

Mr Greg Wood, CEO:

"Whilst we are very pleased with the success in all operational aspects of the project, and we are confident that we have the right business strategy, we do need to recognise the difficulties presented by the current Covid environment, and as such, believe it is prudent to slow things down until we have secured sufficient capital to complete what is a very large project. We will of course keep shareholders updated as the project and financing programme evolves."

Release approved by the Chief Executive Officer on behalf of the Board.

### **For further information, please contact:**

**Greg Wood, CEO:** greg.wood@hvn.co.nz; +64 9 884 1470; **Ben Jarvis,** Six Degrees Investor Relations: +61 (0)413 150 448

---

<sup>1</sup> This new facility limit of \$10.3M replaces the facility limit of \$12.7M and the two tranches outlined in the announcements to the ASX on 19 February 2021. The margin and line fees remain unchanged, plus a one-off roll-over fee of NZ\$257K