

## Noumi Limited (ASX: NOU) Quarter ended 31 December 2021 Quarterly Activities and 4C Report:

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Noumi Limited (ASX: NOU) (Noumi or the Company), a leading producer of long-life dairy and plant-based beverages and nutritional products, today releases its Appendix 4C Quarterly Cash Flow Report for the quarter ended 31 December 2021 (unaudited) and is pleased to provide the following update on the Company's financial and operating performance.

### Current trading and H1 FY2022 performance:

- The emergence of the Omicron strain of COVID-19 across Australia's eastern seaboard in December 2021 continues to have a significant impact on sales in the out-of-home channel and key export markets in Asia.
- The Company is facing cost pressure related to or caused by COVID-19, namely rising domestic and international transport costs and increases in raw material pricing. COVID-19 impacts on workforce availability and delays in our supply chains have negatively impacted productivity and costs.
- Noumi is very focussed on managing the impact of these cost pressures on its cashflow, however, the Company anticipates that the Q3 FY2022 cashflow results will not be as favourable as Q2 FY2022.
- The Company expects H1 FY2022 earnings to be below its results in H1 FY2021 but anticipates reporting a modest positive adjusted operating EBITDA<sup>1</sup> from continuing operations for the six months to 31 December 2021.

### Q2 FY2022 highlights:

- Overall Q2 FY2022 results showed solid improvements across continuing segments and a return to positive cashflow from operating activities for the quarter.
- Total Q2 revenue of \$142.7m, up \$13.8m or 10.7% QoQ.<sup>2</sup>
- Dairy and Nutritionals Q2 revenue of \$97.0m, up \$11.0m or 12.8% QoQ.
- Plant-based Beverages Q2 revenue of \$43.8m, up \$4.4m or 11.2% QoQ.
- Specialty Seafood Q2 revenue of \$1.9m, down \$1.7m or -47.5% QoQ.<sup>3</sup>
- Shareholders approved a corporate name change to **Noumi Limited**.
- The Company successfully completed the divestment of the Specialty Seafood business to the Australian family-owned Tempo Group to better focus on core business.

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<sup>1</sup> Adjusted for non-trading and non-recurring items (including restructuring costs and other non-trading expenses), pre AASB 16

<sup>2</sup> Quarter on quarter, Q2 FY2022 compared to Q1 FY2022

<sup>3</sup> For the period until the divestment of Specialty Seafood on 12 November 2021

- Binding heads of agreement was reached for resolution of all disputes between Noumi and Blue Diamond Growers.
- At 31 December 2021, the Company's cash position was \$16.3m, in line with internal forecasts. Cash at bank and undrawn facilities of \$48.3m provide sufficient liquidity for day-to-day business operations.

## Business performance

### Dairy and Nutritionals

*A leading producer of long-life dairy milk, nutritional products and performance powders*

Overall dairy sales normalised during the quarter, as COVID-related restrictions eased during the earlier part of Q2. This resulted in lower sales within the retail channel for Australia's Own and private label sales. This was offset by an increase in the out-of-home channel, which is predominantly MILKLAB, before the emergence of the Omicron strain. The Company experienced QoQ growth in the export market in line with seasonal trends.

Contract milk supply pricing from farmers continued to rise, which has placed pressure on margins that will continue until customer supply contracts can be renegotiated.

In Consumer Nutritionals, which services the gym and fitness channels, revenue rose 6.9% QoQ as COVID-related lockdown restrictions eased in the first part of Q2. Nutritional Ingredients revenue grew in Q2 despite challenging shipping schedules impacting the timing of orders.

During 1H FY2022, the Company incurred production inefficiencies and increased costs caused by COVID-19, which in turn delayed operational performance improvement initiatives. These are likely to have an impact on 1H operating EBITDA and cash flow for Dairy and Nutritionals.

The Company continues to execute its operational turnaround strategy, which is focused on reducing wastage, improving production efficiencies, rationalising unprofitable product lines, optimising milk supply and reducing losses from the sale of surplus milk.

### Plant-based Beverages

*A leading producer of long-life plant-based products including soy, rice, oat, almond milk and liquid stocks*

The Plant-based beverage category continues to grow as more products and formats become available for health-conscious consumers. MILKLAB delivered 38.6% growth QoQ as COVID-related restrictions eased during the early part of Q2. The Company continues to expand distribution points in Australia, Southeast Asia and China with investments in a focused sales force and marketing campaigns.

The new MILKLAB Oat product, which was launched in June, continues to gain market share within the plant-based beverage category.

While Plant-based sales within the retail channel declined QoQ, sales of Australia's Own Barista range grew 19.3%.

The emergence of the Omicron strain of COVID-19 across Australia's eastern seaboard in December 2021 continues to have a significant negative impact on plant-based sales through the out-of-home channel and in key export markets in Asia. The Company anticipates this will impact the results of the plant-based segment in Q3.

## Specialty Seafoods

*A leading producer of a range of canned seafood, including sardines and salmon*

The Company successfully completed the divestment of its Specialty Seafood business to the Australian family-owned Tempo Group during Q2 FY2022, in line with a review of business units and their strategic alignment.

### Appendix 4C cashflow report – released with this activity report

- Q2 operating cashflow of \$5.8m includes restructuring costs of \$1.9m and prepaid insurance premiums of \$1.1m.
- Following the restatement of prior years' tax returns, a one-off income tax refund of \$4.1m was received. A Franking Deficit Tax payment of \$3.2m will be required in Q1 FY23 as the refund resulted in a negative Franking Account balance.
- Excluding these restructuring costs, prepayments and one-off income tax refund, Q2 operating cash flow was approximately \$4.7m.
- Capital expenditure investment of \$1.1m was recorded during the quarter.
- At Q2 close, the Group had \$407.0m of available finance facilities, of which \$375.0m was drawn.
- The company elected to pay interest-in-kind amounting to \$5.9m on Convertible Notes for the period 1 October 2021 to 31 December 2021, of which \$2.8m is attributable to related party investors.

### Related party payments – Current Quarter (October 2021 to December 2021)

Payment to	Nature of Payment	Amount (A\$)
Independent Directors	Director fees	137,500
Non-Independent Directors	Director fees	81,250
Michael Perich – CEO	Employment costs	191,728
Australian Fresh Milk Trading P/L	Milk purchases	6,989,279
Perich Property Holdings P/L	Rent and outgoings	1,123,873
Perich Property Unit Trust	Rent and outgoings	2,161,253
Leppington Pastoral Co P/L	Directors' indemnity recharges	162,148
Arrovest Pty Ltd	Convertible Note legal fees	8,539
	Q2 FY22 Total	<u>10,855,572</u>

### Note to Market

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

This Company presentation may include certain statements, estimates or projections with respect to the anticipated future performance of the Company, and any ongoing or future projects or both. Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Company. Those assumptions may, or may not, prove correct. No representation is made as to the accuracy of those statements, estimates or projections.

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**Investor contact:**

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The release of this announcement was authorised by the Board of Directors.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Noumi Limited

**ABN**

41 002 814 235

**Quarter ended ("current quarter")**

31 December 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	138,521	265,730
1.2 Payments for		
(a) research and development	(70)	(148)
(b) product manufacturing and operating costs	(115,278)	(235,680)
(c) advertising and marketing	(4,523)	(8,443)
(d) leased assets	(2,660)	(5,176)
(e) staff costs	(6,610)	(13,154)
(f) administration and corporate costs	(4,415)	(8,101)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	586	586
1.5 Interest and other costs of finance paid	(1,847)	(3,469)
1.6 Income taxes paid	4,061	4,061
1.7 Government grants and tax incentives	0	0
1.8 Other (restructuring costs)	(1,939)	(6,597)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>5,827</b>	<b>(10,390)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(1,094)	(2,426)
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	2,087	2,087
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>993</b>	<b>(339)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(331)	(331)
3.5	Proceeds from borrowings	4,000	4,000
3.6	Repayment of borrowings	(3,370)	(7,480)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (lease payments)	(540)	(790)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(241)</b>	<b>(4,601)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,760	31,668
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,827	(10,390)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	993	(339)

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(241)	(4,601)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>16,338</b>	<b>16,338</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	16,338	9,760
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>16,338</b>	<b>9,760</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	10,856
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																																																																																										
7.1	Loan facilities	406,960	374,960																																																																																										
7.2	Credit standby arrangements	0	0																																																																																										
7.3	Other (please specify)	0	0																																																																																										
7.4	<b>Total financing facilities</b>	<b>406,960</b>	<b>374,960</b>																																																																																										
7.5	<b>Unused financing facilities available at quarter end</b>		32,000																																																																																										
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																																																																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">7.6 Loan Facilities</th> <th style="text-align: center;">000's</th> <th style="text-align: center;">Average Interest Rate</th> <th style="text-align: center;">Latest Maturity Date</th> <th style="text-align: center;">Secured/Unsecured</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Recourse Debtor Finance Facilities</b></td> </tr> <tr> <td>HSBC</td> <td style="text-align: right;">12,030</td> <td style="text-align: right;">3.56%</td> <td style="text-align: center;">rolling 6 months</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td colspan="5"><b>Convertible Notes</b></td> </tr> <tr> <td>Various<sup>1</sup></td> <td style="text-align: right;">278,666</td> <td style="text-align: right;">8.50%</td> <td style="text-align: center;">27-May-27</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td colspan="5"><b>Revolver Finance Facilities</b></td> </tr> <tr> <td>HSBC &amp; NAB</td> <td style="text-align: right;">4,000</td> <td style="text-align: right;">3.87%</td> <td style="text-align: center;">27-May-23</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td colspan="5"><b>Finance Leases</b></td> </tr> <tr> <td>NAB</td> <td style="text-align: right;">59,889</td> <td style="text-align: right;">4.66%</td> <td style="text-align: center;">Jun-25</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>Tetra Laval</td> <td style="text-align: right;">11,203</td> <td style="text-align: right;">4.50%</td> <td style="text-align: center;">Jan-27</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>Energy Ease</td> <td style="text-align: right;">5,143</td> <td style="text-align: right;">6.52%</td> <td style="text-align: center;">Mar-27</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>Dankse Bank</td> <td style="text-align: right;">795</td> <td style="text-align: right;">4.18%</td> <td style="text-align: center;">Feb-24</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>DLL 1</td> <td style="text-align: right;">9</td> <td style="text-align: right;">6.05%</td> <td style="text-align: center;">Feb-22</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>Bank of Queensland</td> <td style="text-align: right;">238</td> <td style="text-align: right;">4.09%</td> <td style="text-align: center;">Oct-26</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>ChemClean</td> <td style="text-align: right;">2,187</td> <td style="text-align: right;">5.37%</td> <td style="text-align: center;">Jul-25</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>Toyota</td> <td style="text-align: right;">743</td> <td style="text-align: right;">3.25%</td> <td style="text-align: center;">Jun-25</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">57</td> <td style="text-align: right;">4.20%</td> <td style="text-align: center;">Feb-24</td> <td style="text-align: center;">Secured</td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>374,960</b></td> <td colspan="3"></td> </tr> </tbody> </table>				7.6 Loan Facilities	000's	Average Interest Rate	Latest Maturity Date	Secured/Unsecured	<b>Recourse Debtor Finance Facilities</b>					HSBC	12,030	3.56%	rolling 6 months	Secured	<b>Convertible Notes</b>					Various <sup>1</sup>	278,666	8.50%	27-May-27	Secured	<b>Revolver Finance Facilities</b>					HSBC & NAB	4,000	3.87%	27-May-23	Secured	<b>Finance Leases</b>					NAB	59,889	4.66%	Jun-25	Secured	Tetra Laval	11,203	4.50%	Jan-27	Secured	Energy Ease	5,143	6.52%	Mar-27	Secured	Dankse Bank	795	4.18%	Feb-24	Secured	DLL 1	9	6.05%	Feb-22	Secured	Bank of Queensland	238	4.09%	Oct-26	Secured	ChemClean	2,187	5.37%	Jul-25	Secured	Toyota	743	3.25%	Jun-25	Secured	Other	57	4.20%	Feb-24	Secured	<b>374,960</b>				
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<p><sup>1</sup>The carrying amount of the convertible notes recorded in 30 June 2021 statutory accounts in accordance with the accounting standards is \$251m. The above-mentioned loan facilities amount contains principal of \$265m and capitalised interest (Paid in Kind) of the convertible notes at 31 December 2021 of \$13.7m.</p> <p>The Group's primary bank facilities are with HSBC Bank Australia Limited (HSBC) and National Australia Bank (NAB). They include an undrawn \$32m syndicated facility, equipment financing facilities (NAB) and debtor financing facilities (HSBC). The Group also has other bi-lateral equipment finance facilities from a number of financiers and other general transactional banking facilities.</p>																																																																																													



<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	5,827
8.2 Cash and cash equivalents at quarter end (item 4.6)	16,338
8.3 Unused finance facilities available at quarter end (item 7.5)	32,000
8.4 Total available funding (item 8.2 + item 8.3)	<b>48,338</b>
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by:   
The Board of Directors