



Noumi Limited
80 Box Road
Taren Point NSW 2229
Australia
ABN 41 002 814 235

22 February 2022

ASX Market Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Capital management plans update

Noumi Limited (**ASX: NOU**) (**the Company**) refers to its previous announcements on 24 December 2021 and 17 November 2021 regarding its capital management plans.

The Company is pleased to advise that it has received binding commitments from several of its existing institutional convertible noteholders to advance A\$26 million to the Company (**Binding Commitments**) by way of a short-term bridging facility. The Company intends to use the proceeds to provide it with additional liquidity, including the ability to pay the upfront payment of US\$17 million to Blue Diamond Growers in connection with the Blue Diamond settlement (see separate announcement).

The Company will initially borrow the A\$26 million from its institutional convertible noteholders by way of a secured loan notes bridging facility (**Loan Notes**). The Loan Notes have an availability period until 15 March 2022 and will have a maturity date of 31 May 2022. The Loan Notes are expected to be issued on or before 15 March 2022.

Key terms of the Tranche B Notes

Following the issuance of the Loan Notes, the Company will seek to raise up to A\$26.7 million by way of the issue of a second tranche of unlisted, subordinated secured convertible notes (**Tranche B Notes**). The proceeds of the Tranche B Notes issuance will primarily be used to redeem the Loan Notes, and pursuant to the Binding Commitments, all Loan Notes will be repaid by way of the loan noteholders subscribing for Tranche B Notes equal to their total commitment plus any accrued interest.

The Tranche B Notes will also be offered to all other existing convertible noteholders, excluding Arrovest Pty Ltd and those existing noteholders who would otherwise require shareholder approval under ASX Listing Rule 10.11 to participate (**Eligible Noteholders**).

The Tranche B Notes will be offered to Eligible Noteholders under a prospectus, to be prepared in accordance with section 713 of the *Corporations Act 2001* (Cth).

The Tranche B Notes will be issued on substantially the same terms as the convertible notes issued by the Company on 27 May 2021 (**Tranche A Notes**) subject to the following key differences:

- The conversion price for the Tranche B Notes will be A\$0.32; and



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- The Tranche B Notes are capable of being cash-settled unless and until shareholder approval is obtained.

The key terms of the Tranche B Notes are as follows:

Issuer	Noumi Limited ACN 002 814 235										
Issue Price	\$1.00 per Tranche B Note										
Maturity Date	27 May 2027										
Interest	Interest is payable quarterly. Interest will accrue daily on the face value of the Tranche B Notes and will be paid, at the Company's election, entirely in cash (7% p.a.), in principal (8.5% p.a.) or a combination of the two.										
Conversion	<p>The Tranche B Notes are only capable of being converted into shares if shareholder approval has been obtained. If shareholders do not approve the issuance of Tranche B Notes, the Company will:</p> <ul style="list-style-type: none">(a) issue such number of Tranche B Notes (approximately 10.2 million Tranche B Notes), which are immediately capable of being converted into shares as permitted under its existing placement capacity calculated in accordance with ASX Listing Rule 7.1; and(b) issue the balance of the Tranche B Notes (up to approximately 16.5 million Tranche B Notes) on a cash-settled basis. These Tranche B Notes will only be convertible into shares once the necessary shareholder approvals are obtained. <p>The maximum number of Shares to be issued on conversion is 108.6 million Shares.</p>										
Redemption	<p>The Company may voluntarily redeem the Tranche B Notes at any time prior to the Maturity Date by giving 10 business days' written notice of the Company's intention to redeem those notes. On redemption, the Company will pay the makewhole amount as follows:</p> <table><tr><th>Period following issuance of the Tranche B Notes in which redemption occurs</th><th>Applicable makewhole percentage</th></tr><tr><td>Years 1 & 2</td><td>175%</td></tr><tr><td>Years 3 & 4</td><td>185%</td></tr><tr><td>Year 5</td><td>220%</td></tr><tr><td>Year 6 (including the Maturity Date)</td><td>230%</td></tr></table>	Period following issuance of the Tranche B Notes in which redemption occurs	Applicable makewhole percentage	Years 1 & 2	175%	Years 3 & 4	185%	Year 5	220%	Year 6 (including the Maturity Date)	230%
Period following issuance of the Tranche B Notes in which redemption occurs	Applicable makewhole percentage										
Years 1 & 2	175%										
Years 3 & 4	185%										
Year 5	220%										
Year 6 (including the Maturity Date)	230%										
Ranking	<p>The Note Terms specify a number of additional instances in which the Tranche B Notes will be redeemed.</p> <p>In the event of a winding up, each Tranche B Note will rank ahead of ordinary shares, pari passu with Tranche A Notes and after all of the Company's priority permitted debt.</p>										
Voting	<p>A holder of Tranche B Notes is not entitled to vote at shareholder meetings.</p>										
Negative covenants and events of default	<p>The Note Terms impose a number of negative covenants on the Company and include several events of default. A detailed summary of these matters will be included in the prospectus and shareholder meeting materials.</p>										

In addition, the Company has received the requisite approvals from its existing noteholders and senior financiers to amend the terms of issue for the existing Tranche A Notes to align with the Tranche B



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Notes, with effect from the date of issuance of the Loan Notes. A summary of these changes are as follows:

- The initial interest term (during which interest for both the Tranche A Notes and, following their issue, the Tranche B Notes can be capitalised) has been reduced to 27 months from the issue date of the Tranche A Notes (rather than 30 months);
- The makewhole amount will not be reduced when the Company issues a relevant disputes notice and elects to redeem the Tranche A Notes and/or Tranche B Notes;
- A Majority Noteholders Resolution and Special Resolution will only pass while there is a 'Substantial Noteholder' if that Substantial Noteholder votes in favour of the resolution. A Substantial Noteholder is now defined to mean a noteholder who (either alone or together with its related bodies corporate and associates) holds notes with a face value of more than 40% of the total face value of notes then on issue (rather than 45%);
- The Company's proposed sale of its 10% ownership interest in Australian Fresh Milk Holdings Pty Limited is a 'Permitted Sale' under the Note Terms; and
- The Company is unable to amend, terminate or release the obligations of Leppington Pastoral Investments Pty Limited under its underwriting commitment (see below) without the approval of a special resolution of noteholders.

A detailed summary of the terms of issue for the Tranche B Notes will be included in the prospectus and shareholder meeting materials (see below).

The Company's majority shareholder and noteholder, Arrovest Pty Ltd, will not participate in the issuance of the Loan Notes or Tranche B Notes.

Shareholder approval

The Company will seek shareholder approval to issue the Tranche B Notes for the purposes of ASX Listing Rule 7.1. Shareholder approval will be sought at an extraordinary general meeting, which is expected to be held on or around 7 April 2022. The Company will provide a further update the market when the notice of meeting is despatched to shareholders.

If shareholder approval is obtained to issue the Tranche B Notes, all Tranche B Notes will be capable of conversion into shares on and from the issue date. However, if shareholder approval is not obtained, the Company will still issue the Tranche B Notes as follows:

- such number of Tranche B Notes will be issued on an equity-settled basis as permitted under the Company's existing placement capacity under ASX Listing Rule 7.1; and
- the balance of the Tranche B Notes will be issued on a cash-settled basis and will only be convertible into shares subject to the Company obtaining future shareholder approval.

The Company has also obtained the requisite consents from its existing noteholders and senior financiers to issue the Loan Notes, the Tranche B Notes and to amend the Convertible Note Terms.

As announced on 17 November 2021, the Company proposes to enter into a separate US\$18 million bank guarantee facility with one of its senior lenders (**Bank Guarantee Facility**), under which the Company will grant first ranking security over all of its shares in Australia Fresh Milk Holdings Pty Ltd



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(AFMH), and the proceeds of the sale of such shares, to secure the Bank Guarantee Facility. The Company has obtained consent from necessary stakeholders to grant first priority over the AFMH shares and the proceeds of any sale in connection with the Bank Guarantee Facility. The Bank Guarantee Facility will enable the issuance of a US\$18m bank guarantee to guarantee the future payments to Blue Diamond Growers and will progressively step down from March 2023 until January 2027.

The Company's Board has also resolved to conduct a process to divest all of its shares in AFMH (with the proceeds of that sale to be pledged to secure the Bank Guarantee Facility).

The Company's proposed divestment of its AFMH shares is supported by a binding underwriting offer from Leppington Pastoral Investments Pty Ltd (**Leppington**) – an entity related to the Company's majority shareholder, Arrovest Pty Ltd – to acquire those shares for not less than A\$25 million. To support its underwritten offer to acquire the AFMH shares, Leppington and Arrovest have agreed to provide a limited guarantee of the bank guarantee facility for an amount of A\$25 million.

Leppington's proposed acquisition of the AFMH shares is subject to AFMH's pre-emptive rights regime and is also subject to the Company obtaining all necessary shareholder approvals for the sale of the AFMH shares to Leppington, including under ASX Listing Rule 10.1. Leppington's offer remains binding until 1 August 2022 or such later date as agreed between Leppington and the Company.

Indicative Timetable¹

Release of FY22 H1 Results	28 February 2022
Issuance of Loan Notes	By 15 March 2022
Payment of US\$17 million Tranche 1 Settlement Payment and issuance of US\$18m bank guarantee to Blue Diamond Growers to guarantee the future payments	By 22 March 2022
Lodgement of Notice of Meeting for EGM with ASX and dispatch of materials to Shareholders	March 2022
Indicative date for Extraordinary General Meeting of Shareholders	7 April 2022
Lodgement of Prospectus with ASIC and ASX in relation to offer of Tranche B Notes	8 April 2022
Offer of Tranche B Notes opens	15 April 2022
Offer of Tranche B Notes closes	22 April 2022
Issue of Tranche B Notes (and redemption of Loan Notes)	27 April 2022

Next steps for shareholders

Shareholders do not need to take any immediate action.

A Notice of Meeting and Explanatory Statement will be made available to shareholders in due course.

Shareholders are strongly encouraged to read these documents carefully. They will contain important information about the proposed issuance of the Tranche B Notes. Eligible Noteholders who may wish

¹ This timetable is indicative only and subject to change without notice. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, the Company reserves the right to amend this timetable at any time without notice.



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to participate in the proposed issuance of Tranche B Notes are advised to get independent professional advice.

Disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

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This announcement was authorised for release by the Board of Directors

About Noumi Ltd

Noumi (ASX: NOU) is a leading Australian FMCG company with a mission to create quality, on-trend, responsibly produced dairy and plant-based beverages, nutritional products and ingredients used across the health and fitness industries. The Company operates state-of-the-art manufacturing facilities in Victoria and NSW and produces key brands including the MILKLAB range of shelf-stable dairy and plant-based milks, Australia's Own, So Natural, Crankt, Vital Strength and PUREnFERRIN lactoferrin. <https://noumi.com.au/>