



East 33 Limited

## ASX ANNOUNCEMENT

For immediate release

16 August 2023

### East 33 enters into \$15 million Loan Facility with Yumbah Finance Pty Ltd for the refinance of its National Australia Bank Loan Facility

East 33 Limited (ASX: **E33**) ("**East 33**" or "**Company**") is pleased to announce that it has entered into binding loan documentation (**Facility Documents**) with Yumbah Finance Pty Ltd (**Yumbah Finance**) for a loan in the amount of \$15 million (**Loan Facility**) repayable over a 5-year period and secured over all present and after acquired assets of East 33 and its subsidiaries.

The Loan Facility constitutes a whole of business facility and will be used for the full repayment of the balance outstanding of the \$10.0 million loan facility in place with the National Australia Bank (**NAB Loan Facility**), the payment of \$6.0 million payable under the Class A Redeemable Convertible Preference Shares (**RCPS**) due in January 2024 and other working capital requirements.

In light of the pressing need for funding, East 33 is also pleased to advise that it has been granted a waiver by the ASX from Listing Rule 10.1 to enable East 33, without obtaining Shareholder Approval, to grant Yumbah Finance an all assets security over East 33 and its subsidiaries to secure East 33's and its subsidiaries obligations under the Loan Facility (**ASX Waiver**). The complete terms of the ASX Waiver are detailed further below.

#### The Loan Facility

The key terms of the Loan Facility are as follows:

Loan Facility	Key terms
<b>Financier:</b>	Yumbah Finance Pty Ltd.
<b>Borrower:</b>	East 33 Limited.
<b>Guarantors:</b>	All wholly owned subsidiaries of East 33.
<b>Facility Limit:</b>	\$15,000,000. To be drawn as follows: <ul style="list-style-type: none"><li>• August 2023 - \$8,000,000;</li><li>• December 2023 - \$1,000,000;</li><li>• January 2024 - \$4,000,000;</li><li>• June 2024 - \$2,000,000.</li></ul>
<b>Maturity Date:</b>	Five years after the date of financial close.
<b>Repayment:</b>	<ul style="list-style-type: none"><li>• \$0 in the first year;</li><li>• \$250,000 per quarter in the second year;</li><li>• \$350,000 per quarter in the third year, fourth and fifth year;</li><li>• The outstanding balance at the end of the term.</li></ul>
<b>Security Documents: (the Securities)</b>	The same securities as were in place under the NAB arrangements, namely: <ul style="list-style-type: none"><li>• General security agreements over the Borrower and the Guarantors;</li><li>• Guarantee from each of the Guarantors;</li><li>• Mortgages over all Crown leases of East 33 and its subsidiaries;</li><li>• Mortgages of real property, including all oyster leases under which East 33 or a Guarantor is the sole lessee.</li></ul>

<b>Prepayment:</b>	Loans may be prepaid in whole or in part on 5 Business Days' prior notice (but, if in part, by a minimum of \$100,000). Any prepayment shall be made without premium or penalty.
<b>Fees:</b>	An establishment fee of \$120,000 payable on the first draw down. The \$120,000 is inclusive of all legal cost and expenses of Yumbah Finance.
<b>Interest:</b>	The aggregate of: <ul style="list-style-type: none"> <li>• 5% per annum; and</li> <li>• Interest rate benchmark, BBSY (Bid).</li> </ul>
<b>Payment of Interest:</b>	Interest will be capitalised for the first 12 months following the initial drawdown and then paid monthly.
<b>Financial covenants – Interest coverage:</b>	Interest Coverage based on earnings before interest, tax, depreciation and amortization (excluding non-cash impairments) will be: <ul style="list-style-type: none"> <li>• 31 December 2023 - N/A;</li> <li>• 30 June 2024 - one (1) times;</li> <li>• 31 December 2024 - one (1) times;</li> <li>• 30 June 2025 (and subsequent) - two (2) times.</li> </ul> This is measured half yearly. If this is not satisfied, this will constitute a review event under the Loan Facility.
<b>Financial covenants – Impairment charges:</b>	From June 2024, the total non-cash impairment charge may not be greater than \$0.5m for any 12-month period. If this is not satisfied, this will constitute a review event under the Loan Facility.
<b>Financial covenants – CAPEX V Depreciation</b>	From June 2024, maintenance CAPEX must not exceed depreciation for any 12-month period. If this is not satisfied, this will constitute a review event under the Loan Facility.
<b>Foreclosure</b>	Acknowledgement by the mortgagee that it cannot foreclose, i.e. take possession, over any assets of East 33 unless ASX Listing Rule 10.1 Shareholder Approval has been received, which approval is to be sought at the East 33 2023 AGM.

The Facility Documents have been negotiated on the same commercial terms as the NAB Loan Facility but with a number of key changes which make the Loan Facility more favourable to East 33 than the NAB Loan Facility. Such key differences include:

- Facility limit** – The Loan Facility has a facility limit of \$15 million instead of \$10 million under the NAB Loan Facility.
- Term** - The Loan Facility is for a term of 5 years, instead of 3 years under the NAB Loan Facility, which matures on 21 July 2024.
- Interest cover covenant** - Interest coverage covenant under the NAB Loan Facility was Interest coverage based on Earnings Before Interest and Tax > three (3) times, measured half yearly. Under the Loan Facility Earnings Before Interest, Tax, Depreciation and Amortisation the cover is either one (1) or two (2) times as detailed in the above table.
- Non satisfaction of Interest cover covenant** - Non satisfaction of the interest coverage covenant under the NAB Loan Facility is an event of default whereas non satisfaction of the Interest coverage covenant under the Loan Facility will trigger a review event.

Full detail of the terms and conditions of the Facility Documents are outlined in **Appendix A**.

It is anticipated that the first \$8 million under the Loan Facility will be drawn down on 28 August 2023.

### The Convertible Note

Further, East 33 has entered into binding documentation for the issue of a convertible note to Yumbah Finance under the terms of a convertible note subscription agreement (**Convertible Note Subscription Agreement**) whereby, subject to receipt of the approval of holders of ordinary shares (**Shares**) in E33 (**Shareholder Approval**):

- East 33 will issue a convertible note (**Convertible Note**) to Yumbah Finance detailing that if, at the end of the term of the Loan Facility, Yumbah Finance has not been fully repaid, or in the event the Loan Facility is repayable early as a result of a payment event of default under the Loan Facility or an insolvency event of East 33 or any of its subsidiaries (**Relevant Event of Default**), the Convertible Note will be convertible into Shares in East 33 at the election of Yumbah Finance;

- (b) The floating face value of the Convertible Note will be the amount remaining to be repaid to Yumbah Finance (principal, interest and any other secured money) at the end of the term of the Loan Facility (or earlier in the event of an earlier Relevant Event of Default); and
- (c) The conversion price of the Convertible Note will be the higher of \$0.021 or a 10% discount to the 20-day volume weighted average price calculated to the last trading day prior to the conversion date, which means there will be a floor price of \$0.021 per Share.

The Convertible Note will not be issued under the Convertible Note Subscription Agreement until such time as East 33 has received a number of Shareholder Approvals. Detail of these approvals are contained in the terms and conditions of the Convertible Note Subscription Agreement as outlined in **Appendix A**. East 33 has agreed to put the resolutions required for the initial issue of the Convertible Note to Shareholders at its 2023 annual general meeting.

It should be noted, however, that other Shareholder Approvals may be required prior to any conversion of the Convertible Note at the end of the terms of the Loan Facility under the *Corporations Act 2001* (Cth) (**Corporations Act**).

### Reasons for the Loan Facility and Convertible Note

As detailed in the 31 December 2022 and 30 June 2022 accounts released since the initial public offering of East 33 on the ASX, East 33 has not satisfied the financial covenant under the facility arrangements with the NAB and has consistently sought and received either a 'no action' letter or a waiver of this financial covenant from the NAB. With respect to the financial year ended 30 June 2023, East 33 sought a waiver and has received a 'no action' letter. Given the anticipated implications on the audit opinion for FY23 of East 33 not receiving a waiver, along with cashflow and the financial liabilities of approximately \$7 million due in January 2024, the East 33 Board determined that a material refinancing transaction was required in the short term.

In evaluating various structuring alternatives, the Board of East 33 formed an independent board committee (**IBC**) made up of independent directors of East 33, namely Chair, Sarah Courtney and Mike Ryan which was delegated with the power and authority of considering options for a refinancing transaction and making a determination of the most suitable structure for East 33, taking into account the interests of East 33 and its shareholders as a whole.

The IBC did not consist of the two nominees on the board of Research Corporation Pty Ltd (**RCPL**) and Yumbah Aquaculture Ltd (**YAL**) given RCPL and YAL have a combined voting power in East 33 of ~37.5%.

The IBC ultimately chose to pursue financial accommodation from Yumbah Finance for the following reasons:

- (a) East 33 requires material finance in the short term and structured in such a way as not to require the sale of any material assets;
- (b) Yumbah Finance did not require a due diligence process to be completed in order to provide the finance;
- (c) Yumbah Finance agreed to negotiate the Facility Documents on the same commercial terms as the NAB Loan Facility but with a number of amendments that made the loan arrangements materially more favourable to East 33.

Yumbah Finance is held 73.33% by RCPL and 26.66% by YAL, both of which are controlled by Mr Anthony Hall. Given RCPL and YAL have a combined voting power in East 33 of ~37.5% and have two nominees on the East 33 Board, Yumbah Finance could be considered to be a 'person in a position of influence' under the ASX Listing Rules.

As a result, prior to the Facility Documents and the Convertible Note Subscription Agreement being entered into, the IBC and Non-executive Director, Ms Veronica Papacosta, took all steps to satisfy themselves that the transaction with Yumbah Finance is both fair and reasonable from the perspective of the ordinary shareholders and to ensure the transaction documents were negotiated and entered into on arm's length terms and concluded as follows:

#### The Loan Facility is "fair and reasonable" from the perspective of the ordinary shareholders:

The Loan Facility constitutes a "whole of business refinance" and is on arm's length terms (as detailed below).

The whole of business refinance allows East 33 to completely refinance the NAB Loan Facility (with the exception of a \$1,200,000 equipment facility with NAB) and fund its upcoming liabilities in the next 12 months, in a short timeframe and with the low degree of completion risk.

Given East 33 did not satisfy its interest cover ratio covenant on 30 June 2023, the implications to East 33 of failing complete a material capital raising by 31 August 2023 are high and include:

- potential auditor qualification of audit report as to going concern;
- possible suspension from trading which would be a further event of default as defined in the NAB Loan Facility.

Further, assuming that Shareholders approve the issue of the Convertible Note, subject to the shareholding of YAL and RCPL, any conversion of debt at the end of term of the Loan Facility (or

	<p>earlier, in the event of a Relevant Event Default) would be subject to a further Shareholder Approval for the purposes of section 611 item 7 of the Corporations Act.</p> <p>Such an approval would require that an independent expert's report to accompany the notice of general meeting provided to Shareholders and to opine as to whether the transaction is fair and reasonable to the non-associated Shareholders.</p> <p>East 33 is of the view that this adds a further layer of protection and would mean that any conversion of the Convertible Note, in excess of the takeover thresholds in the Corporations Act, would be subject to further Shareholder Approval with the non-associated Shareholders having the benefit of the view of an independent expert.</p>
That the Loan Facility is "on arm's length terms" or less favourable to Yumbah Finance than "arm's Length terms":	<p>It was determined that the Loan Facility is "on arm's length terms" on the basis that:</p> <ul style="list-style-type: none"> <li>• an IBC was established by the East 33 board to negotiate and consider the terms of the Yumbah Loan Facility;</li> <li>• both East 33 and Yumbah Finance had separate legal counsel engaged;</li> <li>• the Loan Facility was then negotiated utilising the commercial terms of the NAB Loan Facility, being a facility with a third-party bank which could only be considered as an arm's length transaction, as a starting point and then with key revisions that were considered to be more favourable to East 33 and consequently less favourable to Yumbah Finance;</li> <li>• The Directors constituting the IBC and Non-executive Director Ms Veronica Papacosta resolved that the terms of the Facility Agreement were such that they would be reasonable in the circumstances if East 33 and Yumbah Finance were dealing at arm's length, or on terms that are less favourable to Yumbah Finance than those terms.</li> </ul>

### Waiver of ASX Listing Rule 10.1

Following an application to the ASX, on 14 August 2023, East 33 advises it has been granted a waiver by ASX from Listing Rule 10.1 to enable East 33, without obtaining Shareholder Approval, to grant Yumbah Finance an all-assets security to secure East 33's obligations under the Facility Documents (**ASX Waiver**).

The terms of the ASX Waiver are provided below:

*"1. Based solely on the information provided, ASX Limited ('ASX') grants East 33 Limited (the '**Company**') a waiver from Listing Rule 10.1 to the extent necessary to permit the Company and/or its subsidiaries to grant security over present and acquired assets of the Company and/or its subsidiaries in favour of Yumbah Finance Pty Ltd ('**Yumbah**') without obtaining shareholder approval, on the following conditions:*

*1.1 the Company releases an announcement to the market that provides:*

*1.1.1 the material terms of the loan agreement and the waiver from Listing Rule 10.1; and*

*1.1.2 a description of the reasons why the entity has chosen to obtain funding from the 10.1 party, rather than a lender that is not a 10.1 party and the steps the board of the entity has taken to satisfy itself that the transaction is being entered into on arm's length terms, and is fair and reasonable from the perspective of the holders of the entity's ordinary securities;*

*1.2. the security interest documents expressly provide that:*

*1.2.1. the security interest is limited to the funds due under the financial accommodation;*

*1.2.2. the security interest will be discharged when the funds due under the financial accommodation have been repaid in full;*

*1.2.3. in the event the security interest is enforced, the assets can only be disposed of to the 10.1 party or an associate of the 10.1 party if the disposal is first approved by the entity's security holders under Listing Rule 10.1; and*

*1.2.4. otherwise, if the holder of the security interest exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the security interest, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the 10.1 party in accordance with their legal entitlements;*

*1.3. any variation to the terms of the financial accommodation or the security interest, which:*

*1.3.1. advantages the 10.1 party in a material respect;*

1.3.2. *disadvantages the entity in a material respect; or*

1.3.3. *is inconsistent with the terms of the waiver,*

*must be subject to security holder approval under Listing Rule 10.1; and*

1.4. *for each year while they remain on foot, a summary of the material terms of the financial accommodation and the security interest is included in the related party disclosures in the entity's audited annual accounts.*

2. *ASX has considered Listing Rule 10.1 only and makes no statement as to the Company's compliance with other listing rules"*

East 33 will also be seeking Shareholder Approval for the purposes of ASX Listing Rule 10.1 as per paragraph 1.2.3 of the ASX waiver such that in the event the Security is enforced, the assets of East 33 and its subsidiaries can be disposed of to Yumbah Finance.

## Timetable

East 33 provides a summary of the timetable through to completion of the Loan Facility and the receipt of all necessary Shareholder Approvals below:

Receipt of ASX Waiver	14 August 2023
Execution of Facility Documents	15 August 2023
Repayment of Letter of Credit Facility	28 August 2023
First drawdown under the Loan Facility / Repayment of NAB Loan Facility	28 August 2023
Convening of Annual General Meeting	24 November 2023
Issue of Convertible Note <i>Note: This assumes that all Shareholder Approvals are obtained for the issue of the Convertible Note</i>	12 December 2023

\*Dates are indicative only and are subject to change.

David Wood, CEO of Yumbah Aquaculture commented, *"Yumbah recognises that East 33 needs a finance facility that supports the operational turnaround of East 33, which is in the best interests of all shareholders"*

The Company's Non-Executive Independent Chair Ms Sarah Courtney commented, *"This Facility Agreement creates the certainty East 33 needs to continue its recovery and rebuilding of biological assets. Importantly, the increased term of the loan provides a platform to implement a longer-term strategy that will deliver better outcomes for shareholders"*.

This Announcement is authorised for release by the Directors of East 33 Limited.

## Announcement Ends

For further information, please contact:

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## About East 33 Limited

East 33 is dedicated to pioneering the world's best oyster culture, by empowering the people behind it, caring for the places that support it, and delivering moments to be savoured. East 33 represents quality, a dedication to the authentic and an inspired future, focused on delivering a moment of joy.

East 33 is a vertically integrated Sydney Rock Oyster producer, processor, and supplier. Operations span all elements of the Sydney Rock Oyster industry from hatchery, nursery, and production farmers to processing facilities.

East 33's current operations are based in the Wallis Lake, Port Stephens and the Camden Haven River regions of NSW, and over 130 years of collective of farming knowledge. Learnings are being harnessed to deliver the next stage of improved breeding, technology, and sustainable farming techniques to propel the industry for generations to come.

Sydney Rock Oysters are extremely rare natively thriving in just 41 locations on the east coast of Australia centred on latitude 33 degrees – providing the namesake for East 33 Limited.

## Appendix A

### Facility Documents

The high-level terms of the Facility Documents are provided below:

<b>Borrower/ Company:</b>	East 33 Limited.									
<b>Guarantors:</b>	<p>The wholly owned subsidiaries of East 33 Limited, namely:</p> <ul style="list-style-type: none"><li>• Hamilton Supervisory Pty Ltd ACN 637 291 706;</li><li>• Mid Coast Exco Pty Ltd ACN 624 589 822;</li><li>• H R Browne &amp; Sons Pty Ltd ACN 001 531 406;</li><li>• East 33 Farming Pty Ltd ACN 643 368 521;</li><li>• East 33 Deliveries Pty Ltd ACN 642 814 800;</li><li>• MS Verdich &amp; Sons Pty Ltd ACN 003 308 852;</li><li>• CMB Seafoods Pty Ltd ACN 113 595 029.</li></ul>									
<b>Lender</b>	Yumbah Finance Pty Ltd ACN 669 757 582.									
<b>Facility:</b>	Cash Advance Facility.									
<b>Amount:</b>	A\$15.0 million ( <b>Facility Limit</b> )									
<b>Maturity Date:</b>	Five years after the date of financial close.									
<b>Purpose:</b>	<ul style="list-style-type: none"><li>• Refinance of the NAB Loan Facility;</li><li>• Repayment of the Class A RCPS; and</li><li>• Working capital.</li></ul>									
<b>Availability Period:</b>	<p>The period:</p> <ul style="list-style-type: none"><li>• commencing from the date of the Facility Agreement; and</li><li>• ending:<ul style="list-style-type: none"><li>○ if the first draw does not occur before 5:00pm (AEST) on 31 August 2023 ending on 5:00pm (AEST) on 31 August 2023;</li><li>○ if the first draw occurs before 5:00pm (AEST) on 31 August 2023, then ending on the earlier of:<ul style="list-style-type: none"><li>➤ 30 June 2024 (or such later date agreed by Yumbah Finance in writing); and</li><li>➤ the date on which the Facility is cancelled in full, or the Facility Limit is permanently reduced to zero.</li></ul></li></ul></li></ul>									
<b>Maximum Number of draws:</b>	<p>Four draws are allowed under the Loan Facility in accordance with the drawdown schedule below, or other such terms that are agreed by Yumbah Finance and East 33 in writing.</p> <table><tr><td>Draw 1 - August 2023</td><td>\$8,000,000</td></tr><tr><td>Draw 2 - December 2023</td><td>\$1,000,000</td></tr><tr><td>Draw 3 - January 2024</td><td>\$4,000,000</td></tr><tr><td>Draw 4 - June 2024</td><td>\$2,000,000</td></tr></table>		Draw 1 - August 2023	\$8,000,000	Draw 2 - December 2023	\$1,000,000	Draw 3 - January 2024	\$4,000,000	Draw 4 - June 2024	\$2,000,000
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Draw 4 - June 2024	\$2,000,000									

<b>Repayment:</b>	<p>\$0 in the first year.</p> <p>\$250,000 per quarter in the second year.</p> <p>\$350,000 per quarter in in the third year, fourth and fifth year.</p> <p>Balance is payable at the end of the Loan Facility term and may, at the election of Yumbah Finance, be payable in shares under the terms of the Convertible Note Subscription Deed (see details below).</p> <p>Any payment by way of the issue of shares in East 33 is subject to Shareholders approving the issue of the Convertible Note and any other Shareholder Approval required at the time the Convertible Note may be converted into Shares.</p>
<b>Security Documents:</b>	<ul style="list-style-type: none"> <li>• General Security Agreements over East 33 and all Guarantors.</li> <li>• Interlocking Guarantee between East 33 and Guarantors.</li> <li>• Form of security over Freehold Land, Crown Leases and Oyster Leases.</li> </ul>
<b>Permitted debt:</b>	\$1,200,000 equipment facility with the NAB, provided NAB only has recourse to the assets being leased.
<b>Voluntary Prepayment:</b>	Loans may be prepaid in whole or in part on 5 Business Days' prior notice (but, if in part, by a minimum of AUD 100,000). Any prepayment shall be made without premium or penalty.
<b>Foreclosure:</b>	Acknowledgement by Yumbah Finance that it cannot itself foreclose (i.e. take possession of) over any assets of East 33 or its subsidiaries unless ASX Listing Rule 10.1 Shareholder Approval has been received.
<b>Shareholder Resolution undertaking</b>	<p>East 33 must procure that the following resolutions are put to East 33's shareholders at the 2023 annual general meeting:</p> <ul style="list-style-type: none"> <li>• a resolution for the purposes of ASX Listing Rule 10.1 such that in the event the Security of Yumbah Finance is enforced, the assets can be disposed of to Yumbah Finance or an associate of Yumbah Finance. In essence, this would mean that the foreclosure restriction referred to above would no longer apply to Yumbah Finance;</li> <li>• a resolution that the shareholders of East 33 approve the issue of the Convertible Note for the purpose of ASX Listing Rule 10.11 and ASX Listing Rule 7.1, Chapter 2E and the issue of the Convertible Note and the grant of the security under the Security Documents under section 260B of the Corporations Act; and</li> <li>• a resolution that the shareholders of East 33 approve a selective buy-back resolution approving the buy-back of Class A RCPS from the vendor under the Verdich Acquisition documents and the vendor under the CMB Seafoods Acquisition documents,</li> </ul> <p>(each a <b>Shareholder Resolution</b>).</p> <p>In the event the above resolutions are not put to shareholders at the 2023 annual general meeting, this will amount to a review event.</p>
<b>Fees:</b>	An establishment fee of \$120,000 payable at Financial Close. The \$120,000 is inclusive of all legal cost and expenses of Yumbah Finance.
<b>Interest on Loans:</b>	<p>The aggregate of:</p> <ul style="list-style-type: none"> <li>• 5.0% per annum; and</li> <li>• interest rate benchmark.</li> </ul>
<b>Interest rate benchmark:</b>	BBSY (Bid).
<b>Default interest:</b>	2.0% per annum over the applicable interest rate on the overdue amount.
<b>Payment of Interest on Loan:</b>	<p>Interest will be capitalised for the first 12 months following the initial drawdown and then paid monthly.</p> <p>Interest will not be capitalised for the first 12 months in the event an event of default subsists.</p>



<b>Financial Covenant - Interest Coverage:</b>	<p>Interest Coverage based on Earnings Before Interest, Tax, Depreciation and Amortization (excluding non-cash impairments) will be:</p> <ul style="list-style-type: none"> <li>• 31 December 2023 - N/A</li> <li>• 30 June 2024 - one (1) times</li> <li>• 31 December 2024 - one (1) times</li> <li>• 30 June 2025 (and subsequent) - two (2) times</li> </ul> <p>Reported using a rolling 12-month calculation.</p> <p>Tested on a bi-annual basis on and from 30 June 2024 on 30 June and 31 December each year with each set of consolidated financial accounts.</p> <p>If this is not satisfied, this will constitute a Review Event.</p>
<b>Financial Covenant – Impairment Charges:</b>	<p>From June 2024, the total non-cash impairment charge may not be greater than \$0.5m for any 12-month period.</p> <p>Testing to commence on and from 30 June 2024 for the 12 months ending 30 June 2024, and for the sake of clarity excludes any impairment at June 30 2023.</p> <p>If this is not satisfied, this will constitute a Review Event.</p>
<b>Financial Covenant - CAPEX V Depreciation:</b>	<p>From June 2024, the maintenance CAPEX must not exceed depreciation for any 12-month period.</p> <p>Tested on a bi-annual basis on 30 June and 31 December each year in accordance with the consolidated financial accounts delivered to Yumbah Finance (and as certified in the compliance certificate).</p> <p>If this is not satisfied, this will constitute a Review Event.</p>
<b>Review Event – process:</b>	<p>If a Review Event subsists, during the period of 30 days (the <b>Review Period</b>) after either Yumbah Finance or East 33 requests, East 33 must promptly meet and consult in good faith with Yumbah Finance concerning the Review Event and, if requested by Yumbah Finance, agree a strategy to rectify the circumstances giving rise to the Review Event or restructure the Finance Documents, including a restructure of the terms of the Loan Facility, to the satisfaction of Yumbah Finance.</p> <p>If no agreement is reached between East 33 and Yumbah Finance, Yumbah Finance may by notice to East 33 cancel the Facility with effect from the cancellation date specified in that notice (<b>Cancellation Date</b>).</p> <p>The Cancellation Date:</p> <ul style="list-style-type: none"> <li>• Must be no earlier than 60 days from the date of that notice; and</li> <li>• May be extended to 90 days, in the event East 33 provides details to Yumbah Finance outlining a strategy it is undertaking that it has reasonable belief will provide an alternative source of funding that will enable the repayment of the Loan Facility,</li> </ul> <p>On the Cancellation Date, the Facility Limit will be cancelled in full with effect from the Cancellation Date and the Borrower must pay or repay all Secured Money to Yumbah Finance.</p>
<b>General Representations and Undertakings:</b>	<p>East 33 provided customary undertakings for a facility of this nature with market standard grace periods and carve outs based on the NAB Facility.</p> <p>East 33 provided representations and warranties customary for a facility of this nature with market standard grace periods and carve outs.</p>
<b>Events of Default:</b>	<p>Events of default as are customary for a facility of this nature with market standard grace periods and carve outs, based on the NAB Facility.</p>
<b>Conditions Precedent:</b>	<p>Conditions precedent customary for a facility of this nature.</p>
<b>Costs and Expenses:</b>	<p>All costs and expenses (including legal fees) reasonably incurred by Yumbah Finance in connection with the preparation, negotiation, printing and execution of the Facility Agreement and any other document referred to in it shall be paid by East 33 promptly on demand.</p> <p>Such costs and expenses will be deducted from the establishment fee of \$120,000 payable on the date of first drawdown.</p>



## Convertible Note Subscription Agreement

The high-level terms of the Convertible Note Subscription Agreement are provided below:

<b>Issuer:</b>	East 33 Limited (East 33).
<b>Subscriber:</b>	Yumbah Finance Pty Ltd ACN 669 757 582
<b>Convertible Note</b>	1 Convertible Note
<b>Face Value</b>	<p>The Convertible Note has a Face Value being the amount of the Secured Money under the Facility Agreement at the earlier of:</p> <ul style="list-style-type: none"> <li>the Maturity Date (as defined in the Facility Documents); and</li> <li>the date the Loan Facility may be earlier terminated due to a payment event of default or an insolvency event by East 33 (<b>Relevant Event of Default</b>),</li> </ul> <p>(<b>Termination Date</b>).</p>
<b>Conditions precedent to issue:</b>	<ul style="list-style-type: none"> <li>East 33 receiving Shareholder Approval for the issue of the Convertible Note for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11;</li> <li>East 33 receiving Shareholder Approval under section 260B of the Corporations Act for the provision of the financial assistance being provided by East 33 and its subsidiaries, in the form of the Loan Facility and the securities that secure the Loan Facility; and</li> <li>East 33: <ul style="list-style-type: none"> <li>receiving Shareholder Approval for the grant of the security to the Subscriber pursuant to the General Security Deed and Other Securities for the purposes of Listing Rule 10.1; or</li> <li>obtaining an ASX waiver for the grant of the security to the Subscriber pursuant to the General Security Deed and Other Securities for the purposes of Listing Rule 10.1.</li> </ul> </li> </ul>
<b>Conversion:</b>	Yumbah Finance may elect to convert all or part of the Face Value ( <b>Conversion Amount</b> ) into Shares in East 33 during the period commencing on the Business Day that is 10 Business Days prior to the Termination Date and concluding on the date that is 10 Business Days after Termination Date.
<b>Conversion Price:</b>	<p>The number of Shares in East 33 that Yumbah Finance may acquire will be determined by dividing the Conversion Amount by the Conversion Price.</p> <p>The Conversion Price means the higher of:</p> <ul style="list-style-type: none"> <li>\$0.021; or</li> <li>a 10% discount to the 20 Day VWAP calculated to the last trading day prior to the Conversion Date.</li> </ul> <p>What this means is that the minimum price for which the ordinary shares in East 33 may be issued, will be \$0.021 per ordinary share.</p>
<b>Conversion Condition</b>	<p>In the event the issue of the ordinary shares may result in a contravention of the takeover thresholds by YAL and RCPL, then such conversion will be subject to the approval of non-associated Shareholders of East 33 for the purposes of section 611 item 7 of the Corporations Act.</p> <p>Any such notice of meeting containing a section 611 item 7 resolution will be accompanied by an independent expert report opining on whether the issue of the shares to the Yumbah Finance is fair and reasonable to the non-associated shareholders of East 33.</p>
<b>Cancellation of Convertible Note – on conversion or repayment of the balance under the Facility Agreement</b>	<p>On repayment of the Face Value of the Convertible Note, either:</p> <ul style="list-style-type: none"> <li>by way of conversion in whole or part; and</li> <li>the repayment of the Secured Money payable under the under the terms of the Facility Agreement,</li> </ul> <p>the Convertible Note will be cancelled.</p>