

14 August 2024

Aumake Limited (ASX: AUK)

Aumake Successfully Completes New Funding Facilities to Support Ongoing Growth and Accelerate Profitability

Investor Highlights

- Aumake has received binding commitments from a consortium of strategic investors to raise approximately \$2.8M via a share placement of ~560M shares at 0.5c (Strategic Placement).
- In addition, an Agreement to convert \$1M of its debt facility into equity on the same terms as the Strategic Placement significantly simplifying the Company's balance sheet.
- Strategic consortium to help leverage extensive Asian networks and sales channels to assist Aumake in streamlining costs as the Company strives towards financial profitability in FY25.
- Funding will also be utilised to implement strategy of the Company's AUD \$300M procurement framework with YANGTZE RIVER NEW SILK ROAD INTERNATIONAL LOGISTICS (HUBEI) GROUP CO., LTD ("YANGTZE RIVER").
- Funding facilities to strengthen OEM product development initiatives and the commercialisation of digital marketing assistant Streamii, as the Company looks to build on a strong FY24 where cash receipts totalled A\$26M.
- Upon completion of the Strategic Placement Aumake to be well funded with in excess of \$4m of cash on hand.

Aumake Limited (the **Company** or **Aumake**) (ASX: AUK) is pleased to announce that it has successfully secured new funding facilities to strengthen its balance sheet, simplify its capital structure, and support ongoing profitable growth.

Strategic Placement

Under the new funding facilities, Aumake has successfully secured binding commitments from a consortium of strategic investors to raise approximately \$2.8 million through a share placement of approximately 560 million fully paid ordinary shares (**Shares**) at 0.5 cents each (**Strategic Placement**). Investors will receive one attaching option for every one Strategic Placement Share subscribed for. The options will have an exercise price of \$0.01 (1 cent) and expire 2 years from their date of issue (**Options**).

This consortium, with its extensive networks and sales channels across Asia, is poised to provide invaluable assistance to Aumake as it works diligently towards achieving financial profitability in FY25. The strategic investors' deep expertise and market reach are expected to drive significant cost efficiencies, positioning Aumake for robust growth and sustained profitability.

Under the Strategic Placement, the Company will issue 13,834,200 shares immediately using its current Listing Rule 7.1 and 7.1A capacity. The remaining balance of the Strategic Placement Shares and all Options will be subject to shareholder approval.

Novus Capital Limited ('Novus') acted as lead manager and advisor to the strategic placement, they will receive a 6% cash fee on funds raised above \$1,000,000. Subject to shareholder approval, Novus will also receive 20,000,000 broker options on the same terms as the attaching placement options.

Debt to Equity Conversion

The Company has reached an agreement to convert \$1M of the existing debt facility into equity on the same terms as the Strategic Placement.

This move will significantly simplify Aumake's balance sheet and align the Company's interests with key stakeholders, reinforcing their commitment to Aumake's long-term success. The conversion of debt to equity reduces financial liabilities and enhances the Company's financial flexibility, enabling Aumake to focus on its core growth initiatives.

Use of Funds

Proceeds from the placement will be used towards executing the Company's ongoing strategy, with a focus on implementing the recently announced A\$300M Procurement Framework with Yangtze River New Silk Road International Logistics (Hubei) Group Co., Ltd ("Yangtze River") announced 22 July 2024.

The funds will also support working capital, the commercialisation of digital marketing assistant Streamii, and provide the financial flexibility needed to seize new accretive opportunities presented to the Company.

Aumake's Managing Director, Joshua Zhou, commented:

"We are thrilled to have the backing of our strategic investors, whose capital, networks, and expertise are invaluable as we move forward."

"The recent \$2.8M strategic placement and the conversion of \$1M in debt into equity significantly simplify our capital structure and strengthen our financial foundation."

"This positions Aumake for continued growth and profitability, especially as we leverage our strategic investors extensive Asian networks to streamline costs and execute our AUD \$300M procurement framework with Yangtze River. These developments set us on a clear path to achieving our financial goals in FY25".

Authorised by the Board of Aumake Limited.

Joshua Zhou

Managing Director

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About Aumake

Aumake Limited (ASX: AUK) is a company with strong brand acceleration and sales capabilities, positioning it as a pioneer in delivering high quality brands and products from Australia and New Zealand to the Asia market.

Forward Looking Statement:

This announcement may contain forward-looking statements, including statements regarding: plans, strategies and objectives of management; anticipated revenue, products, and stores; operating costs; Chinese tourism; Governmental policies and preferences (both Australian and Chinese).

Forward-looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue', 'annualised' or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements.

Except as required by applicable regulations or by law, the Group does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events.

Past performance cannot be relied on as a guide to future performance.