

18 January 2021

### **AHF launches Security Purchase Plan**

Australian Dairy Nutritionals Group (ASX:AHF) (**AHF** or **the Group**) is pleased to offer eligible securityholders an opportunity to acquire additional AHF stapled securities under a Security Purchase Plan Offer (**SPP Offer**).

Under the SPP Offer, each eligible AHF securityholder as at 7.00pm (Melbourne time) on Friday 8 January 2021 (**Record Time**) has an opportunity to subscribe for a minimum of \$2,000 and up to \$30,000 of new AHF stapled securities, without incurring brokerage or transaction costs.

Eligible AHF securityholders are holders of fully paid stapled securities in AHF at the Record Time and whose address on the security register is in Australia or New Zealand (provided that (i) such securityholder is not a US person or acting for the account or benefit of a person in the United States and (ii) for securityholders with addresses in New Zealand, such persons must also hold fully paid stapled securities in AHF as at 9.00am (Melbourne time) on the date the SPP Offer opens, being 18 January 2021).

The intention to launch the SPP Offer was announced at the same time as the announcement of AHF's recently completed placement announced to the Australian Securities Exchange (**ASX**) on 15 December 2020 (**Placement**). At that time, securityholder approval was required to launch the SPP at the same price as the Placement (being \$0.06) however the Group now intends to rely on Exception 5 to Listing Rule 7.2 in order to launch the SPP.

The proceeds from the SPP Offer will be combined with the proceeds of the Placement and used:

- to fund the market launch of the Group's Future (Tummy Health) and Organic A2 infant formula ranges including a comprehensive marketing and multi-layered communication program;
- to fund the acquisition of an infant formula blend and packaging line from overseas and transport to Camperdown, Victoria; and
- for general working capital and costs of the Placement and SPP Offer.

The SPP Offer aims to raise up to \$1 million and is not underwritten. AHF will accept applications (in whole or in part) which result in the SPP Offer raising a further \$1 million. If the SPP Offer results in acceptances in excess of \$2 million, AHF will scale back acceptances on a pro rata basis, based on securities applied for under the SPP Offer.

The SPP offer price per stapled security (**Offer Price**) is \$0.06 per new AHF stapled security, which is a 6.3% discount to the closing price of AHF stapled securities on 8 January 2021, being the last trading date before the announcement of the SPP, and a 4.0% discount to the 10 day VWAP prior to that date.

The SPP Offer opens today, 18 January 2021, and closes at 5.00pm (Melbourne time) on 10 February 2021, subject to the Group's right to close the SPP Offer early or to extend the SPP Offer period, in its absolute discretion.

### **SPP Offer Booklet and Further Information**

Full details of the SPP Offer are available in the SPP Offer booklet (a copy of which is attached to this letter). In addition, securityholders are encouraged to visit the AHF Investor Centre webpage to learn more about the Company and the SPP Offer:

<https://adnl.com.au/investor-centre/>

*For further information regarding the SPP Offer please contact AHF's security registry, Link Market Services Limited on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.*

A handwritten signature in black ink, appearing to read 'M Bryant', with a stylized flourish at the end.

Martin Bryant  
Chairman  
Australian Dairy Nutritionals Group

## 2021 SECURITY PURCHASE PLAN OFFER BOOKLET

### IMPORTANT NOTICE

*If you apply to participate in the Australian Dairy Nutritionals Group Security Purchase Plan Offer by making a Bpay® payment or returning a completed Application Form with a cheque, you are accepting the risk that the market price of Australian Dairy Nutritionals Group Stapled Securities may change between the Record Date, the date on which you apply for New Stapled Securities and the Allotment Date. This means it is possible that up to or after the Allotment Date, you may be able to buy Australian Dairy Nutritionals Group Stapled Securities at a lower price on the ASX than the price you pay under this SPP Offer. Australian Dairy Nutritionals Group encourages you to seek professional financial and taxation advice regarding your participation in the SPP Offer.*

### 1. WHAT IS THE SPP OFFER?

Eligible securityholders in Australian Dairy Nutritionals Group (comprised of Australian Dairy Farms Limited ABN 36 057 046 607 (the **Company**) and Australian Dairy Farms Trust ARSN 600 601 689) (the **Trust**) (**AHF**) have the opportunity to participate in this security purchase plan offer (**SPP Offer**) by subscribing for a minimum of \$2,000 up to a maximum of \$30,000 of fully paid stapled securities in AHF (**New Stapled Securities**) at a price of \$0.06 per New Stapled Security (**Offer Price**) without incurring brokerage.

All New Stapled Securities issued under the SPP Offer will rank equally with, and carry the same voting rights, dividend rights and other entitlements as, existing fully paid stapled securities in AHF (where one fully paid stapled security is comprised of one share in the Company, and one unit in the Trust) (**AHF Stapled Securities**) from their date of issue.

AHF will apply for the New Stapled Securities proposed to be issued under the SPP Offer to be quoted on the ASX. If the New Stapled Securities are not quoted on the ASX, the New Stapled Securities will not be issued and all application money will be refunded.

The SPP Offer is made in accordance with the requirements of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (INS 2019/547)*.

Registered holders of AHF Stapled Securities (**Securityholders**) are only able to participate in the SPP Offer if they satisfy the eligibility requirements set out below. Details of the SPP Offer and how to participate are also set out below.

### 2. SPP OFFER KEY DATES\*

Event	Date
Record Date	8 January
Announcement of SPP Offer	11 January
SPP Offer opens	18 January
SPP Offer closes	10 February
Completion announcement date (and notice of scale backs, if any)	15 February
Allotment Date	17 February
Dispatch Holding Statements	18 February

\* all dates are 2021 and are indicative only and subject to change at the discretion of the Group

### 3. WHO IS AN ELIGIBLE SECURITYHOLDER?

You are eligible to participate in the SPP Offer (**Eligible Securityholder**) if you were a Securityholder at:

- 7.00pm (Melbourne time) on 8 January 2021 (**Record Time**) with an Australian address (as shown on AHF's security register (**Register**)); or
- at the Record Time and 9.00am (Melbourne time) on the date that the SPP Offer opens being 18 January 2021 with a New Zealand address (as shown on the Register)

and in either case, provided:

- (c) you **do not** hold AHF Stapled Securities on behalf of another person who resides outside Australia or New Zealand in which case you will not be eligible to participate in respect of the AHF Stapled Securities of that person; or
- (d) you **are not**, and **are not** acting for the account or benefit of, a U.S. Person (**U.S. Person**) as defined in Regulation S under the US Securities Act of 1933, as amended (**US Securities Act**).

AHF has determined that it is not practical for Securityholders with addresses on the security register in jurisdictions outside Australia or New Zealand to participate in the SPP Offer (see "*Foreign Securities Restrictions*" below for more information on restrictions on participation).

#### **4. PARTICIPATION BY ELIGIBLE SECURITYHOLDERS**

*Single holders* – If you are a Securityholder but you receive more than one offer under the SPP Offer (for example, due to multiple registered holdings), you may only apply for a minimum of \$2,000 up to a maximum amount of \$30,000 of New Stapled Securities.

*Joint holders* – If you are recorded with one or more other persons as a joint Securityholder, that joint holding is considered to be a single registered holding for the purpose of the SPP Offer and certifications or representations given by a joint holder are taken to have been given by all joint holders. Joint holders are only entitled to participate in the SPP Offer in respect of that single holding. If the same joint holders receive more than one offer under the SPP Offer due to multiple identical holdings, the joint holders may only apply for one amount between \$2,000 and \$30,000 of New Stapled Securities.

*Custodians* – If you hold AHF Stapled Securities as a custodian (as defined in INS 2019/547) for one or more Beneficiaries (as defined below), the SPP Offer is made to the custodian and, subject to a number of conditions, the custodian has the discretion to extend the SPP Offer to the Beneficiaries. The custodian may apply for a minimum of \$2,000 up to a maximum amount of \$30,000 of New Stapled Securities for each Beneficiary, however, AHF will not issue New Stapled Securities unless the custodian certifies the matters set out in paragraph 8(3) of INS 2019/547 in a certificate (**Custodian Certificate**) which it will need to provide to AHF's security registry, Link Market

Services Limited (**Registry**) so that it is received by 5.00pm (Melbourne time) on the closing date of 10 February 2021.

A **Beneficiary** is a person who resides in Australia or New Zealand (and is an Eligible Securityholder) for whom a custodian held AHF Stapled Securities on behalf of the Beneficiary on the Record Date, and who is not, or is not acting for the account or benefit of, a U.S. Person.

Custodians can obtain a Custodian Certificate by emailing [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au). Applications received from custodians must be accompanied by a duly completed and signed Custodian Certificate.

Securityholders (including Custodians) will not be entitled to participate in the SPP Offer if their participation would be in breach of INS 2019/547.

#### **5. HOW TO APPLY FOR NEW STAPLED SECURITIES**

The SPP Offer opens on 18 January 2021. Under the SPP Offer, Eligible Securityholders may apply for new AHF Stapled Securities with a minimum value of \$2,000 up to a maximum value of \$30,000.

##### ***Apply using BPAY***

For Eligible Securityholders with an Australian bank account, you may apply for New Stapled Securities under the SPP Offer by making a Bpay payment on the internet or by telephone by using the Bpay Biller Code and your personalised customer reference number shown on your Application Form, which is required to identify your holding. If you make your payment using Bpay you do not need to return a copy of the Application Form, but are taken to make the certifications and representations described in this booklet.

##### ***Apply using a printed Application Form***

Alternatively, a completed Application Form may be returned together with your cheque made payable to 'Australian Dairy Nutritionals Limited' drawn on an Australian bank and in Australian dollars for the correct amount, to the Registry.

##### ***General information***

Applications must be received by 5.00pm (Melbourne time) on 10 February 2021.

Applications received after that time may not be accepted.

Applications with a cheque payment can be posted to:

Australian Dairy Nutritionals Group  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

If the amount of your Bpay payment or the cheque tendered with your Application Form is:

- (a) greater than \$30,000 – subject to scale back, AHF will allot the maximum number of New Stapled Securities to you and will refund the excess application money to you; or
- (b) is not a multiple of the Offer Price (defined below in section 9), AHF will allot to you the number of New Stapled Securities that would have been allotted had you applied for a multiple of the Offer Price that is nearest to but less than the amount of your Bpay payment or cheque and will refund the excess application money to you.

AHF will refund application monies received from ineligible Securityholders, subject to compliance with its legal obligations.

If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred. If your cheque is dishonoured, it will not be re-presented.

If your Application Form is incomplete, contains errors or is otherwise invalid or defective, AHF may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Stapled Securities to you as it considers appropriate, refund your application money, or take any combination of these actions. Any refund will be paid to you shortly after the close of the SPP Offer.

No interest will accrue or be paid to applicants on any application money, whether refunded or not.

Applications and payments under the SPP Offer may not be withdrawn once they have been received by AHF. **Do not forward cash.** Receipts for payment will not be issued.

## 6. PARTICIPATION IS OPTIONAL

Participation in the SPP Offer is entirely optional (subject to the eligibility criteria set out in this booklet).

The offer to acquire New Stapled Securities is not a recommendation or other financial advice.

If you are in any doubt about the SPP Offer, whether you should participate in the SPP Offer or how participation will affect you, you should seek professional financial and taxation advice before making a decision as to whether or not to accept this offer.

## 7. APPLICATIONS MAY BE SCALED BACK

If applications for New Stapled Securities under the SPP Offer exceed \$2 million, AHF will allocate to you less than the number of New Stapled Securities you have applied for (scale back). If there is a scale back, it will be on a pro rata basis, based on New Stapled Securities applied for under the SPP Offer.

If there is a scale back you may receive less than the parcel of New Stapled Securities for which you have applied. If a scale back produces a fractional number of New Stapled Securities when applied to your parcel, the number of New Stapled Securities you will be allocated will be rounded down to the nearest whole number of New Stapled Securities. In the event of a scale back, the difference between the application monies received, and the number of New Stapled Securities allocated to you multiplied by the Offer Price, will be refunded to you (as described below), without interest payable to you, as soon as practicable following allotment.

## 8. HOW WILL APPLICATION MONIES BE REFUNDED?

Any application monies refunded by AHF will be paid by direct credit or cheque (the payment method will be determined by AHF in its absolute discretion) in Australian currency.

By applying for New Stapled Securities, each Securityholder authorises AHF to pay any monies to be refunded by using the payment instructions of the Securityholder recorded in the Registry's records if AHF elects to pay in this manner.

## 9. OFFER PRICE

Under the SPP Offer, Eligible Securityholders have an opportunity to subscribe for New

Stapled Securities at an offer price per New Stapled Security) of \$0.06.

You should note that the price of AHF Stapled Securities on ASX may rise or fall between the date of the SPP Offer, the date of your acceptance of the SPP Offer and the date when New Stapled Securities are allotted and issued to you under the SPP Offer.

The price you pay per New Stapled Security pursuant to this SPP Offer may be either higher or lower than the AHF Stapled Security price at the time of the offer or at the time the New Stapled Securities are issued and allotted to you under the SPP Offer.

AHF recommends that you monitor the AHF Stapled Security price and any AHF announcements, which can be found on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: AHF).

## 10. HOW MUCH CAN YOU INVEST?

The SPP Offer is required to comply with INS 2019/547. Under that instrument, Eligible Securityholders may only acquire up to a maximum of \$30,000 of Stapled Securities under a security purchase plan or similar plan in any 12 month period, noting that this SPP Offer is for a maximum of \$30,000 per Eligible Securityholder (except in certain circumstances as described in "*Participation by Eligible Securityholders*" above).

This limitation applies, for example, even if you receive more than one Application Form or if you hold AHF Stapled Securities in more than one capacity – e.g., if you are both a single and joint holder of AHF Stapled Securities, as set out in "*Participation By Eligible Securityholders*".

An Eligible Securityholder may apply on different Application Forms for New Stapled Securities but may not apply for New Stapled Securities with an aggregate amount of more than \$30,000. The \$30,000 maximum applies irrespective of the number of AHF Stapled Securities you hold on the Record Date.

In addition, AHF has set a minimum application of \$2,000 of AHF Stapled Securities per application under this SPP Offer.

## 11. EFFECT OF APPLYING TO PARTICIPATE

If you apply to participate in the SPP Offer by submitting a Bpay payment or completing and returning the Application Form, you will be

deemed to have represented to AHF, on behalf of each person on whose account you are acting, that:

- (a) you acknowledge that you are, and each person on whose account you are acting is, an Eligible Securityholder;
- (b) you have read and understood the terms and provisions of this Booklet;
- (c) you agree that your application is made on, and you agree to be bound by, the terms and conditions of the SPP Offer set out in this booklet, and the constitution of the Company and the Trust and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP Offer or the terms and conditions of the SPP Offer set out in this booklet;
- (d) you declare that all details and statements in your Application Form are true and complete and not misleading;
- (e) your application is irrevocable and unconditional;
- (f) you acknowledge that the New Stapled Securities have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and accordingly, the New Stapled Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (g) you are not a U.S. Person and you have not and will not send any materials relating to the SPP Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person;
- (h) if you are a custodian, you are a custodian (as defined in INS 2019/547);
- (i) that the total of the application price for the following does not exceed \$30,000:
  - (i) the New Stapled Securities the subject of your Bpay payment or Application Form;

- (ii) any other New Stapled Securities applied for by you under the SPP Offer or any similar arrangement in the 12 months before this application;
- (iii) any other New Stapled Securities which you have instructed a custodian to acquire on your behalf under the SPP Offer; and
- (iv) any other New Stapled Securities which were issued to a custodian on your behalf, under the SPP Offer or any similar arrangement in the 12 months before the application, as a result of an instruction given by you,

even though you may have received more than one offer under the SPP Offer or received offers in more than one capacity under the SPP Offer;

- (j) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A (insider trading) of the *Corporations Act 2001* (Cth) and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (k) you are not a “designated person” or “designated entity” (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions;
- (l) you acknowledge that the price of AHF Stapled Securities on ASX may rise or fall between the date of this offer, the date of your application and the date when New Stapled Securities are allotted and issued to you and that the price you pay per New Security pursuant to this offer may exceed the price of AHF Stapled Securities on ASX at the time the New Stapled Securities are issued and allotted to you under the SPP Offer;
- (m) you authorise AHF to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;
- (n) you acknowledge that AHF may determine that your Application Form is valid, in accordance with the terms and conditions contained in this booklet, even if the Application Form is incomplete, contains errors or is otherwise defective;

- (o) you accept the risk associated with any refund which may be sent to your address or to your nominated bank account as shown on the AHF register of members;
- (p) you are responsible for any dishonour fees or other costs AHF may incur in presenting a cheque for payment that is dishonoured;
- (q) you acknowledge that no interest will be paid on any application money paid in connection with this SPP Offer and which is held pending the allotment of the New Stapled Securities or subsequently refunded to you for any reason;
- (r) you acknowledge that you have not been provided with investment advice or financial product advice by AHF or the Registry and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in, or the extent of such participation in the SPP Offer; and
- (s) you acknowledge that AHF is not liable for any exercise of its discretions referred to in the terms and conditions contained in this booklet.

## **12. CALCULATION OF THE NUMBER OF NEW STAPLED SECURITIES TO BE ISSUED TO YOU**

If you apply for New Stapled Securities under the SPP Offer, you will apply for a certain value, rather than a certain number, of New Stapled Securities. Subject to the terms and conditions in this booklet, the number of New Stapled Securities you are issued will be determined by:

- (a) if there is no scale back, dividing the aggregate application money which you pay in applying for New Stapled Securities by the Offer Price; or
- (b) if there is a scale back, dividing the value of the parcel of New Stapled Securities allocated to you by the Offer Price.

Any fractions of a New Stapled Security will be rounded down to the nearest whole number.

## **13. ALLOTMENT AND QUOTATION DATES**

New Stapled Securities are expected to be allotted under the SPP Offer on 17 February 2021 and AHF expects to apply for those New

Stapled Securities to be listed for quotation on ASX on or about 17 February 2021.

AHF expects to dispatch a holding statement or confirmation advice in respect of the New Stapled Securities allotted to you under the SPP Offer on 18 February 2021. You should confirm your holding before trading in any New Stapled Securities.

In advance of receiving your written confirmation of issue of New Stapled Securities, you can check the number of New Stapled Securities issued under the SPP Offer by using the Registry website [linkmarketservices.com.au](http://linkmarketservices.com.au) and following the security access instructions.

#### **14. FOREIGN SECURITIES RESTRICTIONS**

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other place other than Australia or New Zealand. The New Stapled Securities have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States or any other place and may not be offered, sold or delivered, directly or indirectly, in, or to persons in, the United States or any other place, except in accordance with an available exemption from registration.

Because of these legal restrictions, and consistent with the representations contained in this booklet, you must not:

- (a) send copies of this booklet or any other material relating to the SPP Offer to any person in the United States or any other place or who is, or is acting for the account or benefit of, U.S. Persons; or
- (b) make payment by Bpay or submit an Application Form or otherwise for New Stapled Securities for any person in the United States or any other place or who is, or is acting for the account or benefit of, U.S. Persons.

These documents have been prepared for publication in Australia and New Zealand only and may not be released elsewhere. Failure to comply with these restrictions may result in violations of applicable securities laws.

#### **15. ADDITIONAL INFORMATION**

The offer to purchase New Stapled Securities under the SPP Offer is non-renounceable. This means that you cannot transfer your right to

purchase New Stapled Securities under the SPP Offer to anyone else. The entitlement to participate in the SPP Offer is in respect of fully paid AHF Stapled Securities only. No brokerage is payable by you in respect of the issue of New Stapled Securities under the SPP Offer.

AHF reserves the right to waive strict compliance with any provision of the terms and conditions in this booklet, to amend or vary these terms and conditions and to suspend or terminate the SPP Offer at any time. Any amendment, variation, suspension or termination will be binding on all Eligible Securityholders even where AHF does not notify you of that event. AHF may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP Offer, whether generally or in relation to any participant or application. Any determination by AHF will be conclusive and binding on all Eligible Securityholders and other persons to whom the determination relates. AHF's rights may be exercised by the board of directors of each of the Company and the Trust or their delegate.

All amounts are in Australian dollars, unless otherwise stated.

For details regarding AHF's privacy policy and how your personal information is managed, go to <https://adnl.com.au/privacy>.

This offer is governed by the law in force in Victoria, Australia. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts of Victoria, Australia.

#### **16. FURTHER INFORMATION**

If you have any questions in respect of the SPP Offer, please contact the Registry, Monday to Friday, 8.30am and 5.30pm (Sydney time) on:

Telephone: 1300 420 709 (within Australia)

Telephone: +61 1300 420 709 (outside Australia).