

Private Placement to raise \$1 million

The Board of Australian Dairy Nutritionals Group (the **Group**) is pleased to announce that it has executed a subscription agreement with Mr Xin Yang to raise \$1,000,000 (**Subscription Amount**) through the issue of 33,333,333 new shares at \$0.03 per share (**Placement**).

Under the terms of the Placement, Mr Yang is required to pay the Subscription Amount to the Group by 17 April 2023, that is, within 15 Business Days after the date of execution of the subscription agreement between the Group and Mr Yang. Following receipt of the Subscription Amount the Group will issue Mr Yang 33,333,333 new shares in Australian Dairy Nutritionals Limited (**AHF**).

The subscription agreement provides for a 'top up' mechanism such that if the Group conducts another equity capital raising within 6 months of the date of the subscription agreement at a price less than \$0.03, the Group agrees to issue Mr Yang the number of additional shares that he would have been issued had the issue price for the Placement been the same as the issue price of the other equity capital raising.

The 33,333,333 subscription securities will be issued under the Group's Listing Rule 7.1A capacity. As the Group has existing capacity under this facility shareholder approval is not required. Upon issue of the Placement shares Mr Xin Yang will hold approximately 5.66% of the Group's issued capital (on a fully diluted basis). There are no conditions precedent to the payment of the subscription funds by Mr Yang. The subscription agreement includes warranties from both parties that are customary in these types of transactions.

Use of Funds

The proceeds of the Placement will be used to fund:

- production of Ocean Road Dairies inventory for export to international markets;
- costs associated with the establishment of the Group's international distribution network including appointing distributors, product compliance and trademark registrations; and
- general working capital costs.

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

Ends

Further Details

For additional company information or media enquiries, please contact:

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About Australian Dairy Nutritionals Group

Australian Dairy Nutritionals Group (AHF) is a vertically integrated Australian dairy group which owns high quality organic and organic A2 dairy farms, and a processing facility located in Southwestern Victoria, the 'Golden Triangle' of Australia's dairy industry. In addition to our

premium Future range of infant formulas the Group has also commenced production at its infant formula factory of the Ocean Road Dairies infant formula range, Australia's first organic A2 protein infant formula made with farm fresh Australian milk, sourced directly from our organic certified dairy farms.

Disclaimer – Forward Looking Statements

This announcement may include “forward looking statements” within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry, in which it operates, and beliefs and assumptions. Readers are cautioned not to place undue reliance on forward looking statements.