

MARKET ANNOUNCEMENT

20 March 2023

Short term extension and on-going negotiations Amendment and Restatement of Secured Debt Facility

Happy Valley Nutrition Limited (ASX:HVM; 'Happy Valley' or 'the Company') announces that it has agreed with Merricks Capital Pty Ltd to extend the current Maturity Date of its Secured Debt Facility from 20 March 2023 until 24 March 2023.

Happy Valley is in negotiations with Merricks Capital Pty Ltd to further extend the Maturity Date until 13 June 2023, however no binding agreement has been entered into at this stage and there is no certainty that negotiations will result in such.

Details of the Merricks Capital debt facility are set out in the attached Appendix.

Approved for release by the Board of Happy Valley Nutrition Limited.

-ENDS-

For further information, please contact:

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About Happy Valley Nutrition Limited

Happy Valley Nutrition Limited (ASX: HVM) is an ASX-listed company based in New Zealand with a vision to become a trusted leading business-to-business supplier of premium consumer ready Infant Milk Formula (IMF) and other nutritional milk products. Listing on the ASX in January 2020, the Company is developing a vertically integrated nutritional grade milk processing blending and packaging plant for IMF and other nutritional products in Waikato, New Zealand.

Since its incorporation in April 2016, the Company has achieved several key milestones including completing the site acquisition, securing a water supply licence, locking in land usage consents to build the proposed facility and gaining the necessary approvals and licences for air, storm water and wastewater discharges, and water supply to operate the facility.

The Company is led by an experienced management team and highly competent Board of Directors, with a demonstrated track record in the dairy and infrastructure sectors.

APPENDIX – SUMMARY OF MATERIAL TERMS OF THE AMENDED AND RESTATED DEBT FACILITY WITH THE DEBT FACILITY DEFERMENT

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| Lender: | MC HVN Pty Ltd (ACN 647 698 431), a related entity of Merricks Capital Pty Ltd (ACN 126 528 005), as trustee for the MC HVN Fund (the “ Senior Secured Lender ”). |
| Borrower and Guarantor: | Five Redlands Road Limited (NZCN 8084521), a wholly owned subsidiary of the Company, is the borrower. The Company entered into the Debt Facility as the guarantor. |
| Facility Limit: | NZD\$10.705 million including capitalised finance costs up to NZD\$1.663 million. |
| Maturity Date: | 24 March 2023 |
| Interest Rate: | BKBM + 9.75% p.a. on funds drawn down, fully capitalised. |
| Line Fee: | 2.5% p.a plus NZD\$150,000 Amendment Fee, fully capitalised. |
| Security: | First ranking general security deed and registered mortgage over the assets including the land of the Company and its wholly owned subsidiary, Five Redland Road Limited. |

Note: For full details of the original facility, please refer to HVM’s Market Announcement of 19 February 2021.