

**HARMONEY CORP LIMITED (ASX:HMY)**  
**PRE-QUOTATION DISCLOSURE**  
**19 November 2020**

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The following information is required to be provided to ASX Limited for release to the market in connection with the admission of Harmony Corp Limited ARBN 645 036 595 (**Company**) to the official list of Australian Securities Exchange (**ASX**) (**Listing**) and quotation of fully paid ordinary shares in the Company (**Shares**).

Capitalised terms which are not otherwise defined in this document have the meaning given to them in the prospectus lodged by the Company with the Australian Securities and Investments Commission on 30 October 2020 (**Prospectus**).

**1. CONFIRMATION OF COMPLETION OF THE OFFER**

The Company confirms:

- (a) on 16 November 2020, the Offer closed under the Prospectus; and
- (b) on 18 November 2020, the Company completed:
  - (i) the issue of 20,000,000 ordinary shares fully paid at an issue price of \$3.50 per share; and
  - (ii) the sale and transfer of 6,428,572 ordinary fully paid shares at a sale price of \$3.50 per share.

In addition, the Company has issued 9,014,707 shares on the vesting and exercise of the performance rights issued under the Existing Incentive Plan.

**2. RESTRUCTURE**

The Company confirms that the Restructure described in Section 9.5 of the Prospectus has been completed, including the issue of the following:

- (a) 6,564,032 shares on the conversion of the Series A shares;
- (b) 8,569,238 shares on the conversion of the Series B shares; and
- (c) 14,550,768 shares on the conversion of the Series C shares.

**3. CAPITAL STRUCTURE**

As at the Listing, the capital structure of the Company will be as follows:

| Class/type      | Number             |
|-----------------|--------------------|
| Ordinary Shares | 100,912,724 Shares |
| Warrants        | 187,588 Warrants   |

**4. DESPATCH OF HOLDING STATEMENTS**

CHESS allotment notice, issuer sponsored holding statements and any refund money have been despatched on Wednesday 18 November 2020.

**5. SECURITIES SUBJECT TO VOLUNTARY ESCROW ARRANGEMENTS**

*Escrowed securities*

The Company confirms that 72,952,015 Shares will be subject to voluntary escrow restrictions pursuant to voluntary escrow deeds entered into between the Company the relevant Shareholder, as further described in Section 7.10 of the Prospectus.

These Escrowed Shares comprise approximately 72.3% of the total Shares on issue at Completion

#### *Escrow period*

Subject to the limited exceptions set out in Section 7.10 of the Prospectus and the partial and final release dates described below:

- Affiliated Shareholders will have their Escrowed Shares subject to escrow restrictions on and from Completion until 4.15pm on the Trading Day following the day on which the Company's full year results for the financial year ending 30 June 2022 are released to ASX and NZX; and
- Unaffiliated Shareholders will have their Escrowed Shares subject to escrow restrictions on and from Completion until 4.15pm on the Trading Day following the day on which the Company's results for the financial half year ending 31 December 2021 are released to ASX and NZX.

The following partial and final release dates apply:

#### **Affiliated Shareholders**

The following partial and final release dates will apply to all Affiliated Shareholders in relation to their Escrowed Shares (subject to ASX Listing Rule 3.10A):

- in respect of the first 25% tranche of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), on and from 4.15pm on the Trading Day following the day on which the Company's full year results for the financial year ending 30 June 2021 are released to ASX and NZX;
- in respect of the second 25% tranche of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), on and from 4.15pm on the Trading Day following the day on which the Company's half year results for the financial half year ending 31 December 2021 are released to ASX and NZX; and
- in respect of all remaining Escrowed Shares held by that Escrowed Shareholder, on and from 4.15pm on the Trading Day following the day on which the Company's full year results for the financial year ending 30 June 2022 are released to ASX and NZX.

#### **Unaffiliated Shareholders**

The following partial and final release dates will apply to all Unaffiliated Shareholders in relation to their Escrowed Shares:

- in respect of the first 50% tranche of the Escrowed Shares held by that Escrowed Shareholder (rounded down to the nearest whole Escrowed Share), on and from the earlier of (subject in each case to ASX Listing Rule 3.10A):
  - 4.15pm on the Trading Day following the day on which the Company's results for the financial year ending 30 June 2021 are released to ASX and NZX; or
  - 4.15pm on any Trading Day following the day on which the Company's half year results for the financial half year ending 31 December 2020 are released to ASX and NZX, where the VWAP calculated over a period of ten consecutive Trading Days from after the day of release of those half year results is at least 50% higher than the Offer Price and the five business days' notice period required under ASX Listing Rule 3.10A has expired; and
- in respect of all remaining Escrowed Shares held by that Escrowed Shareholder, on and from 4.15pm on the Trading Day following the day on which the Company's results for the financial half year ending 31 December 2021 are released to ASX and NZX.

## 6. INSTITUTIONAL BOOKBUILD

The Company confirms that, in relation to the funds raised pursuant to the Institutional Offer (**Bookbuild**):

- (a) the total number of Shares allocated under the Bookbuild is 26,428,572 Shares, and the price at which they are issued is the Offer Price of \$3.50 (Bookbuild Price);
- (b) no person or persons who are promoters or related parties of the Company have taken up a material number of Shares under the Bookbuild;
- (c) no concessionary fee or other arrangements have been entered into which have had the result that the effective issue price paid by some allottees differs materially from the Bookbuild Price announced by the Company;
- (d) no arrangements have been entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Bookbuild at the Bookbuild Price announced by the Company and which is not received by other allottees; and
- (e) no arrangements have been entered into with associates of the Company or the Joint Lead Managers to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

## 7. WARRANTS

The Company has granted warrants to Blue Line Ventures, LLC (**Blue Line**) pursuant to an agreement dated 15 February 2016 (as subsequently amended) to enable Blue Line to subscribe for Shares at a strike price of \$2.03 (rounded down) per Share (**Warrants**), in consideration for Blue Line having assisted in the arrangement of Harmony's funding arrangements with a peer-to-peer institutional funder. The grant of the Warrants formed part of Blue Line's remuneration for its services to the Company and the last grant was made in June 2017.

A summary of the terms of the Warrants is as follows:

|                                       |  |
|---------------------------------------|--|
| <b>Grantor</b>                        | Harmony Corp Limited (NZCN 5177041)  |
| <b>Strike price</b>                   | NZ\$2.03 per Share (rounded down)  |
| <b>Who can exercise the Warrants?</b> | Blue Line Ventures, LLC  |
| <b>Conditions of exercise</b>         | <p>The Warrants are exercisable by Blue Line giving at least seven days' written notice, and paying the relevant aggregate strike price, to the Company.</p> <p>As at 18 November 2020, Blue Line has not given notice of exercise of any of the Warrants.</p> |
| <b>Entitlement</b>                    | On exercise, the Warrants will entitle Blue Line to be issued an aggregate of 187,588 Shares.  |
| <b>Expiry</b>                         | The Warrants have a five year term from the date earned, with the last tranche expiring on 30 June 2022.   |
| <b>Governing Law</b>                  | New Zealand  |