



Noumi Limited
80 Box Road
Taren Point NSW 2229
Australia
ABN 41 002 814 235

17 August 2022

ASX Market Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Extraordinary General meeting – Chair’s Address

Noumi Limited (**ASX: NOU**) provides a copy of the Chair’s address to be delivered at its Extraordinary General Meeting to be held today at 10:00am.

Disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

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This announcement was authorised for release by the Chair

About Noumi Ltd

Noumi (ASX: NOU) is a leading Australian FMCG company with a mission to create quality, on-trend, responsibly produced dairy and plant-based beverages, nutritional products and ingredients used across the health and fitness industries. The Company operates state-of-the-art manufacturing facilities in Victoria and NSW and produces key brands including the MILKLAB range of shelf-stable dairy and plant-based milks, Australia’s Own, So Natural, Crankt, Vital Strength and PUREnFERRIN lactoferrin. <https://noumi.com.au/>



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Chair's Address

Extraordinary General Meeting

Wednesday 17 August 2022

Ladies and Gentlemen, good morning. It is now 10:00am and I have been informed that a quorum is present and so I declare this Extraordinary General Meeting of shareholders in Noumi Limited open.

For those I have yet to meet, my name is Genevieve Gregor, and I am the Chair of Noumi Limited.

Before we begin, I would like to acknowledge the Traditional Custodians of the Country on which I am sitting today and pay my respects to their Elders past, present and emerging. I extend that respect to Aboriginal and Torres Strait Islander peoples joining the Meeting today.

Today's meeting will take place as a virtual meeting which allows shareholders, proxyholders and guests to attend the meeting online. Despite the virtual setting, all shareholders and proxyholders attending online will have the opportunity to ask questions and cast votes.

I am joined today in the room by Michael Perich, the Group CEO, Peter Myers, the Group CFO, Justin Coss, the Group General Counsel & Company Secretary and a number of our staff and advisers. And on the phone, we are joined by my fellow Board members, Deputy Chair, Tony Perich, Non-Executive Independent Directors, Jane McKellar and Stuart Black, and Non-Executive Director, Timothy Bryan.

On behalf of the Board, thank you for joining us today for this Extraordinary General Meeting of the Company to consider and vote on a resolution relating to a potential sale of the Noumi's shareholding in Australian Fresh Milk Holdings.

As outlined in the EGM Notice of Meeting, this extraordinary general meeting is necessary because of the contractual terms of the AFMH shareholders agreement, which I would add are typical terms for a private shareholders agreement of this nature.

The contractual framework in relation to the AFMH stake is not straightforward but we have endeavoured to explain the detail in the Notice of Meeting and I will summarise the relevant key obligations now as it relates to the resolution to be put to the meeting.

As set out in the Notice of Meeting, Noumi's shareholding in AFMH represents 9.4% of AFMH's total equity.

The AFMH shareholders agreement contains a right of first refusal in favour of remaining shareholders of AFMH. This means that before any sale of Noumi's AFMH shares to third parties, Noumi must first offer those shares to the remaining AFMH shareholders. The practical effect of this first right of refusal is to make the asset more difficult to market to third parties, who would be aware of the existence of such rights of first refusal and therefore would be likely to be deterred from attempting to purchase, unless this right was waived.



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One of AFMH's shareholders is Leppington Pastoral Investments, which is related to Noumi's major shareholder Arrovest, and is therefore a related party of Noumi.

As a result, the approval of Noumi shareholders is required under the ASX listing rules, so that Noumi can offer its AFMH shares under the relevant provisions of the AFMH shareholders agreement and complete a related-party transaction of this nature.

That is why we are gathered today: to seek shareholder approval to enable the Company to sell its AFMH shares to Leppington and the other AFMH shareholders for a price of not less than A\$1.40 per AFMH share.

As we indicated in our ASX announcement yesterday, Noumi has entered into a binding transaction to sell its entire interest in AFMH, subject only to shareholder approval being obtained at this meeting. The sale is to two of the AFMH shareholders, NewAustralia (a subsidiary of the New Hope Group), and Leppington Pastoral Investments for A\$1.45 per share. Pursuant to the terms of this conditional sale, Leppington will buy 11,512,263 shares (56.3% of Noumi's shareholding) and NewAustralia will buy 8,936,587 shares (43.7% of Noumi's shareholding) contingent only on the vote at today's EGM.

The proceeds to Noumi under this transaction would be approximately A\$29.65 million. This represents a material uplift on Noumi's original investment in AFMH of A\$20.40 million and assists Noumi to satisfy its obligations under the Blue Diamond Settlement Agreement ("Settlement Agreement"). Additionally, the sale price of A\$1.45 per share is at the upper end of the valuation range of A\$1.32 to A\$1.49 per share as set out in the Independent Expert's Report, which was provided to shareholders with the Notice of Meeting lodged on 19 July 2022.

As set out in the Notice of Meeting, approximately A\$25 million of the proceeds from the sale will be allocated towards Noumi's obligations under the Settlement Agreement, announced to the ASX on 17 November 2021, with the balance of A\$4.65m to be used for general purposes including expenses related to the transaction.

Under the Settlement Agreement, a Noumi subsidiary agreed to make future payments totalling US\$18 million to be paid in quarterly instalments of US\$1.125 million over four years commencing 1 September 2022.

It was a condition of the Settlement Agreement that the Company's obligation to make those future payments be supported by the provision of a bank guarantee in order to provide Blue Diamond with certainty of payments.

In order to procure that bank guarantee, Noumi granted security over their AFMH shares and the proceeds of any sale of those AFMH shares to the bank providing the guarantee.

If shareholders approve the resolution at today's EGM, Noumi will have the flexibility to sell its AFMH shares to a related party and meet its obligations under the bank guarantee supporting the Settlement Agreement.

However, if the resolution to sell to a related party is not approved by shareholders today, Noumi will not be able comply with the AFMH Shareholder terms, with a sale of the AFMH shares and will need to explore other ways to satisfy its obligations under the bank guarantee facility.



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This would include funding the payment obligations out of operating cash flow. This would not be ideal as it would reduce the amount of the Company's available liquidity and would constrain our ability to fund the transformation and growth initiatives previously outlined to shareholders.

As part of the divestment process, Grant Thornton has been engaged as an Independent Expert to provide an Independent Expert's Report on the potential sale of Noumi's AFMH shares.

Grant Thornton considers the potential sale at \$1.40 per AFMH share to be both fair and reasonable to the non-associated shareholders of the Noumi. The transaction that Noumi has entered into, subject to shareholder approval, at \$A1.45 per share, is clearly above this figure.

Each of the Independent Directors of Noumi intends to vote in respect of any shares they hold, or in which they have a relevant interest, in favour of the resolution. I also intend to vote all proxies held in favour of the resolution.

For the avoidance of doubt, Arrovest is precluded from voting at this meeting, as is any associated or related entity of Arrovest.

Again, thank you for joining us today and for your ongoing support of the company.

We look forward to providing more information about the Company's performance with the release of our FY22 results in the coming weeks.