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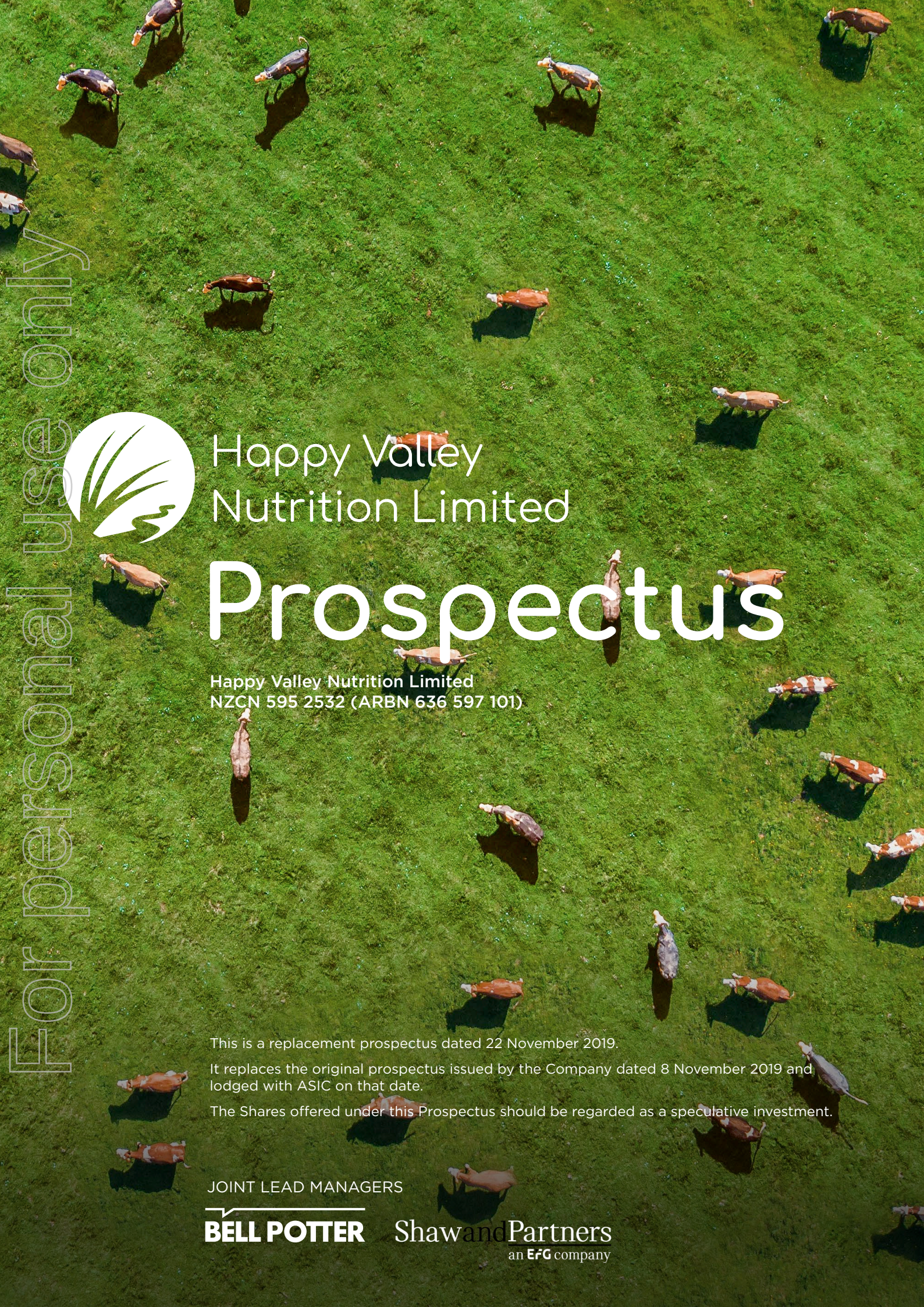

Happy Valley Nutrition Limited

Prospectus

Happy Valley Nutrition Limited
NZCN 595 2532 (ARBN 636 597 101)

This is a replacement prospectus dated 22 November 2019.

It replaces the original prospectus issued by the Company dated 8 November 2019 and lodged with ASIC on that date.

The Shares offered under this Prospectus should be regarded as a speculative investment.

JOINT LEAD MANAGERS

BELL POTTER

Shaw and Partners
an EFG company

Important Notices

Offer

This Prospectus is issued by Happy Valley Nutrition Limited (NZCN 595 2532) (**Company**), a New Zealand incorporated company which is registered as a foreign company in Australia with an ARBN 636 597 101 for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offers contained in this Prospectus are invitations to acquire fully paid ordinary shares (**Shares**) in the Company (**Offer**).

Lodgement and listing

This replacement prospectus (**Prospectus**) is dated and was lodged with the Australian Securities and Investments Commission (**ASIC**) on 22 November 2019 (**Prospectus Date**). It replaces the prospectus issued by the Company dated 8 November 2019 and lodged with ASIC on that date (**Original Prospectus**). For the purposes of this document, this replacement prospectus will be referred to as the Prospectus.

This Prospectus provides the following updated and additional disclosure:

- additional statements noting that an investment in the Company is speculative to ensure this is clearer and more prominent;
- additional information on the status of negotiations between the Company, strategic partners and potential financiers;
- additional information in relation to legal proceedings involving two Directors of the Company;
- further detail in the sources and uses of IPO Offer proceeds;
- details of any substantial shareholders;
- additional information in relation to the Options issued to one of the Directors; and
- amendments to the relevant parts of the Investment Overview where applicable in Section 1 to reflect the above changes.

See Sections "Important Notices", "Chairman's Letter", Section 1.3, Section 1.5, Section 3.5.1, Section 3.7.1, Section 3.8, Section 6.2, Section 7.1.2, Section 7.1.5 and Section 9.3.2.

The Company will apply to the Australian Securities Exchange (**ASX**) within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of its Shares on ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Expiry Date

This Prospectus expires on the date which is 13 months after the date of the Original Prospectus being 8 December 2020 (**Expiry Date**). No Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information contained in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial circumstances, tax position or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. It is important that you read this Prospectus carefully and in its entirety before deciding whether or not to invest in the Company. **There are risks associated with an investment in the Shares and the Shares offered under this Prospectus should be regarded as a speculative investment.**

In particular, you should consider the risk factors that could affect the performance of the Company and other information in this Prospectus. You should carefully consider these risks in light of your personal circumstances (including your investment objectives, financial circumstances and tax position) and seek professional guidance from your stockbroker, accountant, lawyer or other professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to the risks in Section 5 that should be considered in light of your personal circumstances.

You should also consider the assumptions underlying the financial information and the risk factors that could affect the Company's business, financial condition and results of operations. No person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company, the Joint Lead Managers or any other person in connection with the Offers. You should rely only on information contained in this Prospectus when deciding whether to invest in the Company.

New Zealand company

The Company is incorporated in New Zealand. As such it is subject to New Zealand law including the New Zealand Companies Act 1993 (**Companies Act**). Once admitted to the Official List, the Company will also be subject to the requirements of the ASX Listing Rules. There are certain differences between New Zealand law and Australian law that prospective investors in Australia should be aware of. Refer to Section 9.6 for further information.

Important notice to New Zealand investors

Warning Statement

The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main the Corporations Act and the regulations made under that Act set out how the IPO Offer must be made. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to these Offers. If you need to make a complaint about these Offers, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser. The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

A copy of this Prospectus, other documents relating to the Offers and a copy of the Constitution have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (offer number, OFR12759). While the Offers are being extended to New Zealand investors under the New Zealand Mutual Recognition Regime, no application for listing and quotation is being made to NZX Limited.

Financial information presentation

Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

The Financial Information included in Section 4 has been prepared in accordance with the recognition and measurement principles prescribed in the International Financial Reporting standards (**IFRS**) as issued by the International Accounting Standards Board and the accounting policies of the Company.

All financial amounts contained in this Prospectus are expressed in Australian currency and are rounded to the nearest $1.00 (unless otherwise stated). Any discrepancies between totals and sums of components in tables and figures contained in this Prospectus are due to rounding. Tables and figures contained in this Prospectus have not been amended by the Company to correct immaterial summation differences that may arise from this rounding convention.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the Investigating Accountant's Report in Section 8. Where Financial Information and metrics represent pro forma amounts, they have been labelled pro forma.

Forecast financial information

Given the fact that the Company is in an early growth stage of development, there are significant inherent uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

Forward looking statements

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends', 'considers' and includes statements of current intentions, statements of opinion and predictions as to future events as well as other similar words that involve known or unknown risks and uncertainties. You should be aware that such statements are not statements of fact and as such there can be no certainty of outcome in relation to the matters to which the statements relate.

Any forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual events, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed or anticipated in these statements, many of which are beyond the control of the Company and the Directors. Such forward looking statements are

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based on an assessment of present economic and operating conditions and a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place. The forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5 and other information contained in this Prospectus.

The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward looking statements. Except where required by law, the Company does not intend to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

This Prospectus uses market data and third party estimates and projections. The Company has obtained significant portions of this information from market research prepared by third parties. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates and projections involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

Statements of past performance

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not, and should not be relied upon as being, indicative of future performance.

Disclaimers

Bell Potter Securities Limited ACN 006 390 772 (**Bell Potter**) and Shaw and Partners Limited ACN 003 221 583 (**Shaws**) are acting as Joint Lead Managers to the IPO Offer. Bell Potter and Shaws have not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, Bell Potter and Shaws and their affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such offer or invitation. No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia or New Zealand. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand, should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus has been prepared for publication in Australia and New Zealand, and may not be distributed to, or relied upon by, any person in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of a US person, unless an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available. See Section 9.11 for more details on the selling restrictions that apply to the Offers and sale of Shares in jurisdictions other than Australia or New Zealand.

Exposure Period

In accordance with Chapter 6D of the Corporations Act, the Original Prospectus was subject to an exposure period of seven days from the date of lodgement with ASIC (**Exposure Period**). This period was extended by ASIC for a further period of seven days. The purpose of the Exposure Period is to enable the Original Prospectus to be examined by market participants prior to the processing of Applications. Applications received during the Exposure Period will not be processed by the Company until after the expiry of the Exposure Period, and will not receive any preference. The Corporations Act prohibits the Company from processing Applications during the Exposure Period.

Prospectus availability

During the Offer Period, a paper copy of this Prospectus is available free of charge to Australian and New Zealand resident investors by calling the Company IPO Information Line on 1800 131 904 from 8.30am to 5.30pm (Sydney time), Monday to Friday (excluding public holidays). This Prospectus is also available to Australian and New Zealand resident investors in electronic form at www.hvn.co.nz.

The Offers constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia and New Zealand and are not available to persons in any other jurisdiction, except Institutional Investors in certain other jurisdictions. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

Applications

Applications may only be made during the Offer Period in respect of the Broker Firm Offer by completing an Application Form attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form, which must be downloaded in its entirety from www.hvn.co.nz, in respect of the Priority Offer by visiting www.hvn.co.nz and completing the Priority Offer Application Form and in respect of the Pre-IPO Funding Offer by completing the Application Form provided to you by the Company and attached to or accompanying, this Prospectus in its paper copy form (whichever is relevant to you). By making an Application, you represent and warrant that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

Offer management

The IPO Offer is being arranged and managed by Bell Potter and Shaws.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Definitions

Defined terms and expressions used in this Prospectus are explained in the Glossary at Appendix A. Unless otherwise stated or implied, references to times in this Prospectus is to Sydney, Australia time. All financial amounts contained in this Prospectus are expressed in AUD unless otherwise stated.

Privacy

By completing an Application Form to apply for Shares, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, that it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with applicable laws. The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

The information contained in the Company's register of members must remain there even if a person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments (if applicable) and corporate communications (including financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has the right to access and correct the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Investigative Accountant's Report

The Investigating Accountant has prepared the Investigating Accountant's Report in relation to the Financial Information. The Investigative Accountant's Report is provided in Section 8.

Questions

If you have any questions about how to apply for Shares, please call the Company Offer Information Line on 1800 131 904 from 8:30am to 5:30pm (Sydney time) Monday to Friday (excluding public holidays). Instructions on how to apply for Shares are set out in Section 7 and on the Application Form.

If you have any questions about whether to invest in the Company, you should seek professional advice from your stockbroker, accountant, lawyer or other professional adviser.

This Prospectus is important and should be read in its entirety.

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Table of Contents

Important Notices	ifc
Key Offer Information	3
Chairman's Letter	4
1. Investment Overview	8
2. Industry Overview	17
3. Company Overview	24
4. Financial Information	32
5. Risk Factors	43
6. Key People, Interests and Benefits	50
7. Details of the Offers	61
8. Investigating Accountant's Report	71
9. Additional Information	79
Appendix A: Glossary	94
Corporate Directory	105

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Key Offer Information

Offer Statistics

	Minimum Subscription	Full Oversubscription
IPO Offer Price	$0.20	$0.20
Total proceeds from the IPO Offer	$12.0 million	$15.0 million
Number of Shares offered to New Shareholders under the IPO Offer	60.0 million	75.0 million
Number of Shares held by Existing Shareholders and parties under the Pre-IPO Funding Offer[1]	150.0 million	150.0 million
Total number of Shares on issue on Completion of the Offers[2]	210.0 million	225.0 million
Market capitalisation at the IPO Offer Price[3]	$42.0 million	$45.0 million
Estimated net proceeds from the IPO Offer	$10.5 million	$13.3 million
Expected free float on Completion of the Offers[4]	82.1%	83.3%

Key Dates

Lodgement of Original Prospectus with ASIC	8 November 2019
Lodgement of this Prospectus with ASIC	22 November 2019
Retail Offer opens	25 November 2019
Retail Offer closes and Applications due	4 December 2019
Settlement of the Offers	9 December 2019
Issue of Shares under the Offers (Completion of the Offers)	12 December 2019
Expected despatch of holding statements	13 December 2019
Shares expected to begin trading on ASX on a normal settlement basis	20 December 2019

Dates may change

The dates above are indicative only and may change. Unless indicated otherwise, all dates are Sydney time. The Company (with the consent of the Joint Lead Managers) reserves the right to vary the dates of the Offers without prior notice (including, subject to the ASX Listing Rules, the Corporations Act and other applicable laws), to close the Offers early, extend the date the Offers close, to accept late Applications either generally or in particular circumstances or to cancel the Offers before Completion of the Offers. If the IPO Offer is cancelled before the issue of Shares, then all monies received in respect of the IPO Offer will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Applicants are encouraged to submit their Application Forms as soon as possible after the IPO Offer opens. No cooling-off rights apply to the Offers. The admission of the Company to the Official List and the quotation and commencement of trading of the Shares is subject to confirmation from ASX.

How to invest

Applications for Shares can be made in accordance with the procedures described in this Prospectus. Instructions on how to apply for Shares are set out in Sections 7.3, 7.4 and 7.5 and on the back of the Application Form.

1. A proportion of the Shares held by Existing Shareholders will be subject to escrow arrangements as described in Section 9.7.
2. This includes Shares issued under the IPO Offer and the Pre-IPO Funding Offer.
3. Market capitalisation at the IPO Offer Price is defined as the IPO Offer Price multiplied by the total number of Shares at Completion of the Offers.
4. Free float is calculated as the percentage of Shares on Completion of the Offers that are not subject to voluntary or mandatory escrow (see Section 9.7) nor held by Directors or affiliated Shareholders of the Company.

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Chairman's Letter

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Dear Investor,

It is with great pleasure that I invite you to become a Shareholder and part of the exciting future of Happy Valley Nutrition Limited ARBN 636 597 101 (**Company**).

Our vision is to become a trusted business-to-business (**B2B**) supplier of consumer ready Infant Milk Formula (**IMF**) and other nutritional products that will primarily utilise A2 and organic milk. The other nutritional products include IMF base powders, IMF ingredients and Liquid variants that align with market demands (**Other Nutritional Products**).

The Company was incorporated in New Zealand on 8 April 2016 to develop a vertically integrated nutritional grade milk processing blending and packaging plant for IMF and Other Nutritional Products (**Facility**).

Since April 2016, the Company has achieved the following milestones:

- acquired a suitable site in the Waikato region of New Zealand, a large catchment area of A2, organic, and pasture fed milk herds, to build the proposed Facility;
- executed a conditional sale and purchase agreement for a neighboring property for the purposes of irrigating waste water generated by the operations of the proposed Facility;
- acquired a site nearby the proposed Facility for the Company's construction of water take bores to supply water to the proposed Facility;
- secured a licence to take water from the Waipa River;
- secured land use Resource Consents from the Otorohanga District Council (**ODC**) to build the proposed Facility; and
- secured air, stormwater and waste water discharges, and water supply Resource Consents from the Waikato Regional Council (**WRC**) for the operation of the proposed 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 industries and with relevant business knowledge, financial management, legal expertise, corporate strategy and corporate governance.

The IPO Offer will seek to raise a minimum of $12.0 million, with the ability to accept over subscriptions of up to a further $3.0 million (in each case, before costs) to fund pre-project activities which include:

- securing strategic partner(s);
- detailing design for site preparation;
- hire industry leading talent;
- finalise the basis of design and construction planning; and
- secure future funding

(together, **Pre-Project Activities**).

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Our vision is to become a trusted business-to-business supplier of consumer ready Infant Milk Formula and Other Nutritional Products that will primarily utilise A2 and organic milk

On Completion of the Offers, the Company will have sufficient working capital to achieve its Pre-Project activities over the next 12 months. The Company intends to secure an appropriate strategic partner to enable the Company to construct the proposed Facility. Under this scenario it is anticipated that within approximately 12 months after Listing, the Company would seek to secure funding from various sources, currently estimated to be up to $328 million for the proposed Facility, and for working capital requirements during the periods of construction, commissioning and the ramp up phase of production. Alternatively, in the event a strategic partner(s) is secured for Other Nutritional Products, the funding requirement is likely to be significantly less than $328 million.

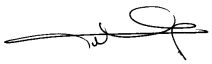
This Prospectus contains detailed information about the Offers, the dairy industry, the Company's operations, financial position and historical performance and key personnel. It also provides detailed information on the risks associated with an investment in Shares, which are set out in Section 5. The key risks include but are not limited to the Company securing funding to build the Facility, contracting milk supply, fluctuations in inputs prices and construction costs, regulatory risks, obtaining Overseas Investment Office (**OIO**) approvals and achieving a successful outcome with strategic partners and other third party suppliers.

Please note that given the early-stage nature of the Company's activities, there are significant risks associated with an investment in the Shares. As such any investment in the Company and the Shares offered under this Prospectus should be regarded as a speculative investment.

I encourage you to read this Prospectus in its entirety, paying particular attention to the Company's growth strategy as well as the risks associated with the Offers and the Company before making an investment decision.

On behalf of the Board, I look forward to welcoming you as a Shareholder as we embark on what we consider to be an exciting time for the Company.

Yours faithfully



Ivan Hammerschlag
Chairman

Happy Valley Nutrition Limited at a glance

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We are Happy Valley Nutrition Limited, a proudly independent, New Zealand dairy company located in the Waikato region.

The Opportunity

The Company has a unique opportunity to create premium products for customers focussed on provenance, innovation and product flexibility through the development and operation of the proposed Facility.

As developing countries become more affluent there is increased focus on nutrition leading to increases in demand of 'Western' food and supplements.

Dairy provides satisfactory nutritional, organoleptic, and functional benefits with developing countries becoming increasingly aware of these benefits, leading to changes in preferences and further demand growth.

The Facility

The Company's site is strategically located in the Waikato region, a large catchment area of A2, organic and pasture fed milk herds in New Zealand.

The Company has successfully obtained Resource Consents from the ODC and WRC which include land use, air discharge, stormwater discharge and water take to develop the proposed Facility and is currently working towards the Pre-Project Activities.

Growth Strategy

The Company's growth strategy can be classified under four pillars:

1) **Partners / Customers and Products**
   The Company is pursuing a B2B strategy and has been in discussions with potential strategic partners and customers, for both IMF and Other nutritional Products
2) **Milk Pool**
   The Company is situated in one of the largest milk supplying regions in New Zealand
3) **Construction**
   The proposed Facility for IMF is anticipated to be an 8 tonne (WMP equivalent) per hour spray dryer and a dryblending and packaging plant for consumer ready product. The current ODC land use consent approval is for two 8 tonne (WMP equivalent) per hour spray dryers
4) **Quality**
   Quality and regulatory requirements are fundamental to the Company's ability to export products

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SECTION 1

Investment Overview

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This Prospectus should be read in full before making any decision to apply for Shares

1.1 Introduction

Topic	Summary	For more information
Who is the Company?	The Company is in the process of developing a vertically integrated, formulaic milk processing, blending and packaging Facility that produces IMF and Other Nutritional Products for sale in the global export markets. The Company is incorporated, and is based, in New Zealand.	Section 3
What industry does the Company operate in?	The Company intends to operate in the global dairy industry, specifically within consumer ready infant milk formula, ingredients and formulaic nutritional milk segments.	Section 2 and Section 3.1.1
What is the Company's business model?	It is the Company's intention to become a trusted business-to-business (**B2B**) supplier of IMF and Other Nutritional Products.	Section 3.1.1 and 3.5.1
What is the IPO Offer?	The IPO Offer is an initial public offering of a minimum of 60.0 million, and up to a maximum of 75.0 million, new Shares by the Company at the IPO Offer Price of $0.20 per Share to raise gross proceeds of a minimum of $12.0 million, and up to a maximum of $15.0 million. All Shares issued under or pursuant to this Prospectus will, from the time that they are issued, rank equally with all other Shares on issue at Prospectus Date.	Section 7.1
Why is the IPO Offer being conducted?	The purpose of the IPO Offer is to: • provide the Company access to capital markets which it expects will provide additional financial flexibility to pursue its growth strategy; • achieve a listing on ASX to broaden the Company's shareholder base and potentially provide a liquid market for its Shares; • assist the Company in attracting and retaining high quality staff; and • pay the costs of the Offers.	Section 7.1.2

1.2 Key Investment Highlights

Topic	Summary		For more information
Trends driving the dairy industry	The industry growth is driven by a number of trends including, but not limited to:		Section 2.2
	High protein as part of everyday natural health	Rise of plant-based alternatives featuring plant-based ingredients	
	Gut health rich in probiotics	Products with "high fibre" and other nutritional claims	
	High protein trend	"Grab and go" dairy snack-sized products; healthy food snack replacements	
	Mass customisation	Differentiated dairy brand products customised and targeted for children and adults offering higher nutritional requirements. Building brand loyalty beyond children	
	Sustainability	Increasing consumer awareness of sustainability beyond organic; to animal welfare, free range, produce made by farmers and the war against plastic	
	Taste	Increasing emphasis on marketing dairy on taste, packaging and indulgent flavours	
	Allergy free	Growing consumer demand for lactose-free and "easy digestible" dairy alternatives including goat, sheep, camel, A2 and organic milk	
	Alternative business models	Re-considering channel strategies; artisanal dairy, milk delivery, food trucks and subscription boxes	

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Topic	Summary		For more information
Resource Consents	The following Resource Consents have been granted to the Company:		Section 3.4
	Land use consent	A land use consent from the ODC to build the Facility on the Company's acquired site. This allows for up to two 8 metric tonnes per hour spray dryers, a warehouse, blending and canning plant, and associated services	
	Stormwater discharge consent	A stormwater discharge consent from WRC to discharge stormwater during construction of the Facility	
	Cleanfill activities consent	A cleanfill activities consent from WRC to undertake cleanfilling activities associated with construction of the Facility	
	Air discharge consent	An air discharge consent from WRC for dust, gases, particles and odour from the Facility	
	Stormwater discharge consent	A stormwater discharge consent from WRC to discharge into the Waipa river	
	Wastewater discharge consent	A wastewater discharge consent from WRC to allow dairy factory wastewater to discharge to land including associated aerosols and odour	
	Water take consent	A water take consent from WRC to include the Company in a water user group that will provide all necessary water required for the Company's operations	
	Water take consent	A water take consent from WRC to take water from the Company's two bores located at 132 Ourowhero Road, Otorohanga	
	The Resource Consents contain a number of conditions, including conditions that impose or could place financial obligations on the Company (see Section 3.4.1).		
Highly experienced Board and Management team	The Directors of the Company bring to the Board a variety of skills and experience including industry and business knowledge, financial management, legal expertise, corporate strategy and corporate governance experience.		Section 6.1
Future growth opportunities	The Company's growth strategy can be classified under four pillars: • Partners/Customers and Products; • Milk Pool; • Construction; and • Quality.		Section 3.7

1.3 Key Risks

Topic	Summary	For more information
The Company obtaining additional funding to meet its growth plans	On Completion of the Offers the Company will have sufficient working capital to achieve its Pre-Project Activities over the next 12 months. The Company however, has limited financial resources and will need to secure funding of up to $328 million for the construction of the Facility and working capital funds for operational requirements during the periods of construction, commissioning and the ramp up phase of production. The Company's ability to successfully operate is subject to its ability to secure this additional funding and will be subject to factors beyond the control of the Company and its Directors (including, without limitation, cyclical factors affecting the economy and financial and share markets generally). The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.	Section 5.2.1

Topic	Summary	For more information
The Company obtaining additional funding to meet its growth plans *continued*	The Company's financial position may also become highly leveraged due to reliance on commercial and other forms of debt to finance its growth plans. Any equity financing will lead to share dilution for existing shareholders and any debt financing, if available, may involve restrictive covenants. If the Company is unable to meet repayments, the lender may seek to foreclose on the debt.	Section 5.2.1
Dependence on strategic partners	The Company intends to enter into long-term agreements with international and domestic strategic partners with global sales capabilities to sell a quantity of product equal to the design capacity of the Facility. There is a risk that long term agreements may not be able to be secured on terms acceptable to the Company within satisfactory timelines, if at all.	Section 5.2.3
Capital cost to construct the Facility	The Company has developed a high level capital cost estimate to construct the Facility, which is based on inputs from various vendors and consultants in New Zealand. While the New Zealand dairy construction industry has experience in the construction of these types of plants, there is a risk that the capital cost could increase due to external forces. Some of these include, but are not limited to, foreign exchange, changes in regulatory and legislative requirements, insurance premiums, material costs and labour costs. There is also a risk that design requirements from strategic customers and changes arising out of detailed design may incrementally impact the scope of the Facility and therefore cause capital cost increases and affect the future profitability of the business model.	Section 5.2.4
Dependence on milk supply	The Company's ability to run a viable business relies on its ability to secure milk supply contracts. While the Company is in a region of New Zealand with a high concentration of dairy farms, there is a risk the Company will not be able to source the volumes of milk required, and/or at a price level that can fulfil and generate viable returns for the Company. This includes all types of milk, including conventional, A2, and organic. The cattle owned by dairy farmers can partially affect both the quantity and quality of milk produced. Throughout the upstream process there is a further risk that the milk supply may become contaminated due to handling practices and equipment failure given raw milks sensitivity to temperature. Additionally, dairy farmer milk suppliers or ingredient suppliers contracted to the Company, may become insolvent, or default on agreed terms and obligations. The Company will also rely on the services of third parties for certain day-to-day operations, including but not limited to, milk collection, ingredients, transportation, consumables, maintenance, repair and operations.	Sections 5.2.5
Fluctuations in inputs prices	The Company will be exposed to movements in underlying commodity prices, and foreign currency exchange, for raw materials and ingredients required for the manufacture of its proposed products.	Section 5.2.6

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Topic	Summary	For more information
Laws, regulations permits, consents and other regulatory risks	The Company and its proposed products are subject to various laws and regulations including but not limited to accounting standards, tax laws, New Zealand and international dairy processing, export and import laws, environmental, construction and employment laws. The Company's operations are subject to Resource Consents and regulations relating to the take and use of water, discharge of materials to the environment, the treatment of waste, and contaminated and hazardous matters. There is a risk that the Company may breach the conditions of its consents. Additionally, the Company will need to obtain building permits to construct the Facility and will need to register its proposed Facility with the MPI. A key requirement for the Company will be to have a registered and verified a Risk Management Plan (**RMP**) that covers the supply chain to qualify as an exporter of dairy and nutritional products. Local country approvals to permit imports into the Company's target markets will also be required to be obtained. Changes in any laws and regulations to this industry both domestically and globally (including interpretation and enforcement) could also adversely affect the Company's financial condition and performance. As a whole, failure to obtain or retain domestic approvals, permits, consents, licenses, or renewals, thereof, in a timely manner, or at all, may adversely affect the Company's operations through any of the construction, commissioning, ramp up and full production phases.	Section 5.2.7 and 5.2.9
Other risks	A number of other risks are included in Section 5. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Investment in the Company must be regarded as highly speculative and neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of the Shares, including those offered by this Prospectus, will be achieved. In the worst-case scenario, you may lose all your investment.	Sections 5.2 and 5.3

1.4 Significant interests of key people and related party transactions

Topic	Summary				For more information
Who are the Existing Shareholders and what will be their interest in the Company on Completion of the Offers?		Shares held at the Prospectus Date	Shares held at Completion of the Offers		Section 7.1.4
		Shares	Minimum Subscription	Full Oversubscription	
	Existing Shareholders and parties under the Pre IPO Funding Offer (excluding Directors)	67,586,381	125,616,391	125,616,391	
	Directors	17,966,000	24,383,609	24,383,609	
	New Shareholders	–	60,000,000	75,000,000	
	Total	**85,552,381**	**210,000,000**	**225,000,000**	
Who are the Company's Directors	A summary of the expertise of the Directors is contained in Section 6.1				Section 6.1

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Topic	Summary	For more information
What significant benefits and interests are payable to Directors and what significant interests do they hold?	On Completion of the Offers, the Director's relevant interests in Shares and Options are expected to be as follows. This table does not take into account any Shares the Directors may acquire under the IPO Offer:	Section 6.4.3

	Shares held at the Prospectus Date prior to Completion of the Offers		Shares held at the Completion of the Offers (Minimum Subscription)		Shares held at the Completion of the Offers (Full Oversubscription)		Options held at Completion of the Offers
Director[1]	Number	%	Number	%	Number	%	Number
Ivan Hammerschlag	–	–	5,347,024	2.5%	5,347,024	2.4%	28,125,000
David McCann	8,555,238	10.0%	8,778,031	4.2%	8,778,031	3.9%	16,831,791
Randolph van der Burgh	9,410,762	11.0%	9,633,555	4.6%	9,633,555	4.3%	16,831,791
Anthony Khan	–	–	625,000	0.3%	625,000	0.3%	5,000,000
Total	**17,966,000**	**21.0%**	**24,383,609**	**11.6%**	**24,383,609**	**10.8%**	**66,788,582**

1. Directors may hold their interests in the Shares shown above directly, or through holdings by companies or trusts.

All Non-Executive Directors will receive director's fees.

David McCann and Randolph van der Burgh will receive remuneration for the additional non-director services they provide to the Company (see Section 6.4.2.2).

Will any Shares be subject to restrictions on disposal following Completion of the Offers?	It is expected that the following individual's Shares and Options in which they (or their associated entities) will hold a relevant interest on Completion of the Offers will be classified by ASX as restricted securities and will be required to be held in escrow for up to 2 years from Listing, as summarised below:	Section 9.7.1

Shareholder or class of Existing Shareholder	Shares held	Shares subject to escrow on Listing	% of Shares subject to escrow on Listing (Minimum Subscription)	% of Shares subject to escrow on Listing (Full Oversubscription)
Ivan Hammerschlag	5,347,024	2,347,024	1.1%	1.0%
David McCann	8,778,031	7,709,032	3.7%	3.4%
Randolph van der Burgh	9,633,555	8,470,155	4.0%	3.8%
Anthony Kahn	625,000	125,000	0.06%	0.06%
Related Existing Shareholders	625,000	125,000	0.06%	0.06%
Unrelated Existing Shareholders	124,991,390	12,554,099	6.0%	5.6%
Total	**150,000,000**	**31,330,310**	**14.9%**	**13.9%**

Topic	Summary	For more information
Is the Company subject to any related party transactions?	In addition to the Director Services Agreements noted in Section 6.4.2.2, the Company has the following arrangements with related parties of the Company: • Accounting and Taxation Services Agreement with VCFO for the provision of various financial, taxation and project related services. Randolph van der Burgh is a shareholder of VCFO and a director of the Company for the following fees: – fixed monthly fee of NZ$1,250 plus GST for accounting and taxation services; – fixed monthly fee of NZ$3,250 plus GST for project modelling and valuation services; and – hourly fees for additional services on a time engaged basis. • Exclusive Work Desk Agreement with VCFO for the provision of office facilities. Randolph van der Burgh is a shareholder of VCFO and director of the Company pursuant to these arrangements VCFO is entitled to, the following fees: – occupancy fee per desk NZ$7,200 plus GST for 6 months; – car parking fee per car park NZ$2,880 plus GST for 6 months; and – additional services such as photocopying charged per use.	Section 6.4.3.1

1.5 Proposed use of funds and key terms and conditions of the IPO Offer

Topic	Summary	For more information
Who is the issuer of this Prospectus?	Happy Valley Nutrition Limited NZCN 595 2532 (ARBN 636 597 101), a company incorporated in New Zealand.	Section 9.1
What is the IPO Offer?	The IPO Offer contained in this Prospectus is an invitation to apply for a minimum of 60.0 million, and maximum of 75.0 million, new Shares offered for issue by the Company. The Shares being offered at the Minimum Subscription will represent 28.6% of the total number of Shares on issue on Completion of the Offers. The Shares being offered at the Full Oversubscription will represent 33.3% of the total number of Shares on issue on Completion of the Offers.	Section 7.1
What is the proposed use of the funds raised under the IPO Offer?	The proposed use of funds raised under the IPO Offer is set out below:	Section 7.1.2

	Minimum Subscription $12.0 million ($)	Full Oversubscription $15.0 million ($)
Sources		
Cash Balance as at 31 October 2019	1.2m	1.2m
Capital raised	12.0m	15.0m
Total funds	**13.2m**	**16.2m**
Uses		
Site preparation	0.7m	3.4m
Finalise basis of design and construction planning	2.9m	2.9m
Employee Salaries, recruitment costs	2.0m	2.0m
Director Fees (for 5 Directors)	0.6m	0.6m
Consultants and Marketing (relating to site preparation and design and securing a strategic partner)	0.3m	0.3m
Overheads (including operational insurance, legal, landlord, travel, IT)	1.0m	1.1m
Licences (relating to the Company's Overseas Investment Office submission and Water licence and consents)	0.7m	0.7m
Working Capital	1.2m	1.2m
Costs of the Offers	1.5m	1.7m
Land Costs	2.3m	2.3m
Total Uses	**13.2m**	**16.2m**

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Topic	Summary	For more information
Where can I find financial information in relation to the Company?	See Section 4 and the Independent Accountant's Report in Section 8.	Section 4 and Section 8
What is the financial outlook for the Company	Given the Company's relative early stage the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast on a reasonable basis.	Section 4 and Section 8
Will the Shares be quoted on ASX?	The Company will apply to ASX within seven days after the Prospectus Date for its admission to the Official List, and for quotation of Shares on, ASX under the code "HVM". Completion of the Offers is conditional on ASX approving the Company's application for admission to the Official List and granting permission for the Shares to be quoted on ASX on terms acceptable to the Company. If this approval is not given within three months of the Prospectus Date (or any longer period permitted by law), the Offers will be withdrawn and all monies received from Applicants of the IPO Offer will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 7.14
Are the Offers subject to any other conditions?	Yes. The Minimum Subscription condition under the Offers is $12 million (before the costs of the Offers). If the Minimum Subscription condition is not reached, the Company will not proceed with the Offers and will repay all Applications Monies received under the IPO Offer without interest.	Section 7.2
How is the IPO Offer structured and who is eligible to participate in the IPO Offer?	The IPO Offer comprises: • the Retail Offer consisting of the: – Broker Firm Offer; – Priority Offer; and – General Offer; and • the Institutional Offer.	Sections 7.3, 7.4, 7.5 and 7.7
Is the IPO Offer underwritten?	No, the IPO Offer is not underwritten.	Section 7.10
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer, the General Offer and the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company having regard to the allocation policies outlined in Sections 7.3.4, 7.4.5, 7.5.5 and 7.7.2. The allocation of Shares among Applicants in the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company. The allocation of Shares among Applicants in the Priority Offer will be determined by the Company in consultation with the Joint Lead Managers. With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate Shares among their retail clients. Applications will be processed and Shares allocated under the General Offer as agreed by the Company and the Joint Lead Managers.	Sections 7.3.4, 7.4.5, 7.5.5 and 7.7.2
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty will be payable by Applicants on the acquisition of Shares under any component of the Offers.	Section 7.9
What are the tax implications of investing in the Shares?	A summary of certain New Zealand and Australian tax consequences of participating in the Offers and investing in Shares is set out in Section 9.10. The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether or not to invest.	Section 9.10
When will Successful Applicants receive their holding statements?	It is expected that holding statements will be despatched by standard post on or around 13 December 2019.	Section 7.13

Topic	Summary	For more information
How can an Applicant apply for Shares?	**Broker Firm Offer Applicants** Broker Firm Offer Applicants may apply for Shares by completing a valid Broker Firm Application Form attached to or accompanying this Prospectus and following the instructions of their Broker who invited them to participate in the Broker Firm Offer. **Priority Offer Applicants** Applicants under the Priority Offer must apply in accordance with the relevant instructions provided in their Priority Offer invitation made under this Prospectus. Existing Shareholders and Noteholders under the Pre-IPO Funding Offer will be treated as Priority Offer Applicants. **General Offer Applicants** The General Offer is open to all Applicants with a registered address in Australia or New Zealand. The Application Form marked "General Offer" attached to or accompanying this Prospectus must be completed in accordance with the instructions on the Application Form and received by the Share Registry by 5:00pm on the Closing Date. The General Offer is being made in New Zealand under the New Zealand Mutual Recognition Regime. **Institutional Offer Applicants** The Joint Lead Managers have separately advised Institutional Investors of the application procedure under the Institutional Offer.	Sections 7.3.2, 7.4.2, 7.5.2 and 7.7.1
What is the minimum Application size?	The minimum Application size under the Broker Firm Offer, the Priority Offer and the General Offer is $2,000 (which is equivalent to 10,000 Shares in aggregate).	Section 7.2
Can the IPO Offer be withdrawn?	The Company may withdraw the IPO Offer at any time before the issue of Shares to Applicants under the IPO Offer. If the IPO Offer, or any part of it, does not proceed, all monies received from Applicants will be refunded (without interest) in accordance with the Corporations Act.	Section 7.9
Where can I find out more information about the IPO Offer?	All enquiries in relation to this Prospectus should be directed to the Company IPO Offer Information Line on 1800 131 904 from 8:30am to 5:30pm (Sydney time), Monday to Friday (excluding public holidays). If you have any questions about whether or not to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, tax adviser, lawyer or other professional adviser before deciding whether or not to invest.	Section 7.2

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SECTION 2

Industry Overview

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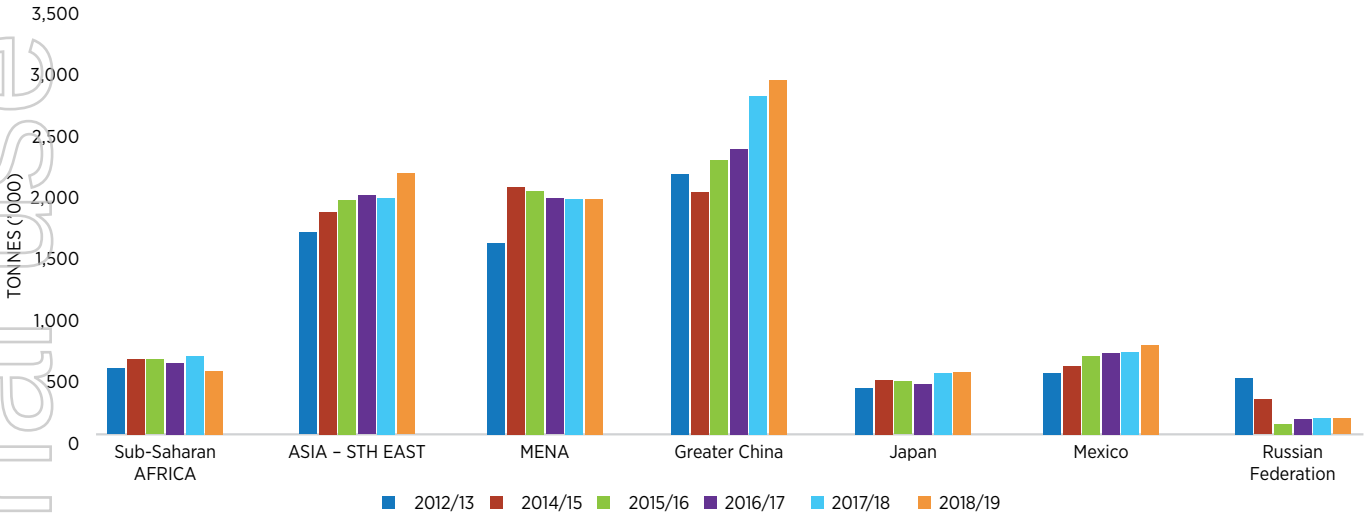
2.1 Overview of the industry trends in which the Company intends to operate

2.1.1 Global dairy industry

The dairy market historically has experienced uninterrupted growth in demand due to rising populations and the continual need for dairy as part of a healthy diet. According to Dairy Australia, in the 12 months to February 2019, dairy exports from the six largest suppliers (New Zealand, the EU, US, Australia, Argentina and Uruguay) increased by 3.2%.[1]

As seen in Figure 2.1 below, the increase in dairy demand over the past 6 years was due to strong growth in key markets such as Greater China and South East Asia where dairy volumes increased by 4.7% and 10.5% respectively.[2] This is supported by the Food and Agricultural Organisation of the United Nations, who estimate dairy consumption per capita per annum in developed countries will grow from 22.5kg in 2015-2017 to 23.1kg in 2027, representing an increase of 4%, compared with consumption from developing countries increasing by 27% from 10.6kg to 13.5kg in the same time period.[3]

FIGURE 2.1: DAIRY EXPORTS FROM THE SIX LARGEST SUPPLIERS (NEW ZEALAND, THE EU, US, AUSTRALIA, ARGENTINA AND URUGUAY)



Source: Dairy Australia

The significant uplift in demand in developing countries is largely due to rising populations and per capita income growth. As developing countries become more affluent there is an increased focus on nutrition leading to increases in demand of 'Western' food and supplements. Dairy provides satisfactory nutritional, organoleptic, and functional benefits. Dairy ingredients contain calcium, protein, vitamin A, vitamin B12, zinc, and magnesium, which are necessary for the development of bone density and nourishment.[4] Developing countries are becoming increasingly aware of these benefits, leading to changes in preferences and further demand growth.

The global dairy market has been witnessing significant growth within the infant milk formula category. It is estimated that approximately two thirds of infant food is coming from infant milk formula.[5] This growth is largely being driven from developing countries due to various socio-demographic factors as well as higher rates of female participation in the workforce within developed countries. The global baby food and infant formula market was estimated to be worth approximately USD$52.9 billion (AUD$79 billion) in 2018 and is expected to increase to USD$74.4 billion (AUD$110 billion) by 2024[6], representing a CAGR of 7%.

2.1.2 New Zealand dairy industry

The New Zealand dairy sector provides direct employment for more than 46,000 people[7] and produces approximately 3%[8] of the world's dairy equivalents. Approximately 88%[9] of New Zealand's milk production is exported with it's dairy products being exported to more than 140 different markets[10] each year.

1. Dairy Australia Situation and Outlook June 2019, https://www.dairyaustralia.com.au/industry/dairy-situation-and-outlook/situation-and-outlook-june-2019.
2. Dairy Australia Situation and Outlook June 2019, https://www.dairyaustralia.com.au/industry/dairy-situation-and-outlook/situation-and-outlook-june-2019
3. OECD/FAO 2018, OECD-FAO Agricultural Outlook 2018-2027, p.165, http://www.agri-outlook.org/commodities/Agricultural-Outlook-2018-Dairy.pdf.
4. https://www.marketwatch.com/press-release/increasing-demand-from-the-top-10-end-user-industry-drive-the-growth-of-dairy-ingredients-market-2019-09-09?mod=mw_quote_news
5. https://www.marketwatch.com/press-release/global-baby-food-market-is-expected-to-reach-727-billion-by-2020---allied-market-research-2019-08-25?mod=mw_quote_news
6. https://www.businesswire.com/news/home/20190507005714/en/Global-74-Billion-Baby-Food-Infant-Formula. USD:AUD = 1.49
7. Quick Stats about Dairying New Zealand 2019; https://www.dairynz.co.nz/media/5791052/quickstats-about-dairying-new-zealand-2019.pdf
8. Food and Agriculture Organisation of the United Nations; "Dairy Market Review" (March 2019),; http://www.fao.org/3/ca3879en/ca3879en.pdf
9. Food and Agriculture Organisation of the United Nations; "Dairy Market Review" (March 2019),; http://www.fao.org/3/ca3879en/ca3879en.pdf
10. About the NZ Dairy Industry, Dairy Companies Association of New Zealand; https://www.dcanz.com/about-the-nz-dairy-industry/

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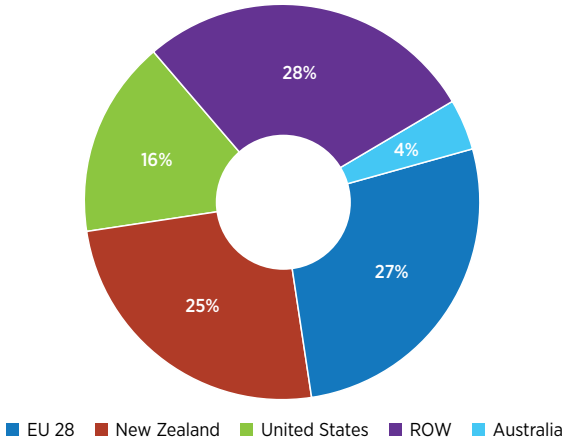
New Zealand is the world's largest exporter of dairy products, yet only the 7th largest milk producer worldwide.[11] According to data published by the New Zealand Ministry for Primary Industries, the dairy industry has been critical to the New Zealand economy for a long time, contributing the highest amount to export revenue since 2006.[12] Between 2006 and 2019, export revenue relating to milk equivalents in New Zealand increased from NZ$7 billion to NZ$18.1 billion, representing a CAGR of 8%.[13] The dairy industry contributed approximately 39%[14] to total export revenue in 2019.

According to the Food and Agriculture Organization of the United Nations, in 2018 the world total milk exports was approximately 75 million tonnes. As seen in Figure 2.2, of the total world exports, New Zealand contributed 25%,[15] approximately 18.7 million tonnes.

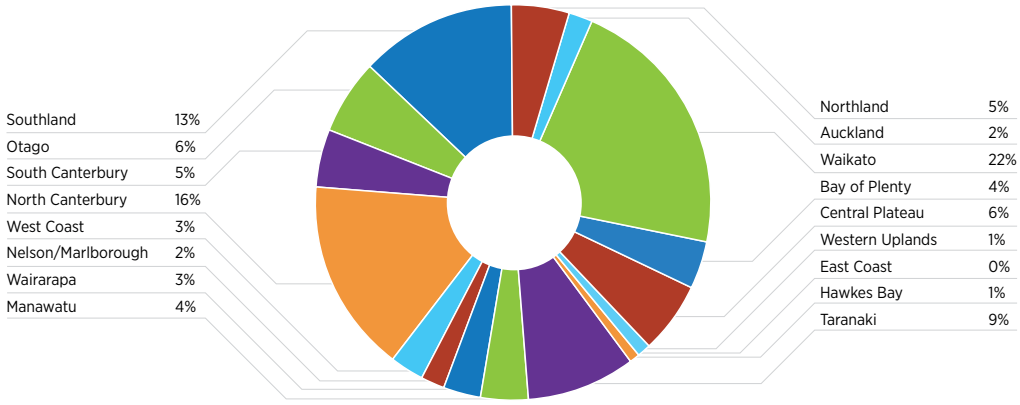
FIGURE 2.2: TOTAL WORLD EXPORTED MILK EQUIVALENTS



Source: Food and Agriculture Organization of the United Nations

The Company's site is strategically located in the Waikato region, a large catchment area of A2, organic, and pasture fed milk herds in New Zealand. According to New Zealand Dairy Statistics in 2017/18, 72% of all New Zealand dairy herds are located in the North Island, with 33% situated in the Waikato region.[16] Of the milk produced in New Zealand in the 2017/18 season, as seen in Figure 2.3, the Waikato region produced 22%[17] of all milk solids, valued at $NZ3.29 billion.[18]

FIGURE 2.3: NEW ZEALAND MILK PRODUCTION (BY REGION)



Source: Dairy NZ-LIC New Zealand Dairy Statistics[19]

11. Quick Stats about Dairying New Zealand 2019;; https://www.dairynz.co.nz/media/5791052/quickstats-about-dairying-new-zealand-2019.pdf
12. https://www.mpi.govt.nz/news-and-resources/open-data-and-forecasting/situation-and-outlook-for-primary-industries-data/
13. https://www.mpi.govt.nz/news-and-resources/open-data-and-forecasting/situation-and-outlook-for-primary-industries-data/
14. https://www.mpi.govt.nz/news-and-resources/open-data-and-forecasting/situation-and-outlook-for-primary-industries-data/
15. Food and Agriculture Organisation of the United Nations "Dairy Market Review" (March 2019), http://www.fao.org/3/ca3879en/ca3879en.pdf
16. Quick Stats about Dairying New Zealand 2019; https://www.dairynz.co.nz/media/5791052/quickstats-about-dairying-new-zealand-2019.pdf
17. New Zealand Dairy Statistics 2017-18; https://www.dairynz.co.nz/media/5790451/nz-dairy-statistics-2017-18.pdf
18. Quick Stats about Dairying – Waikato Region; https://www.dairynz.co.nz/media/5791537/quickstats-about-dairying-waikato-2018.pdf
19. New Zealand Dairy Statistics 2017-18; https://www.dairynz.co.nz/media/5790451/nz-dairy-statistics-2017-18.pdf

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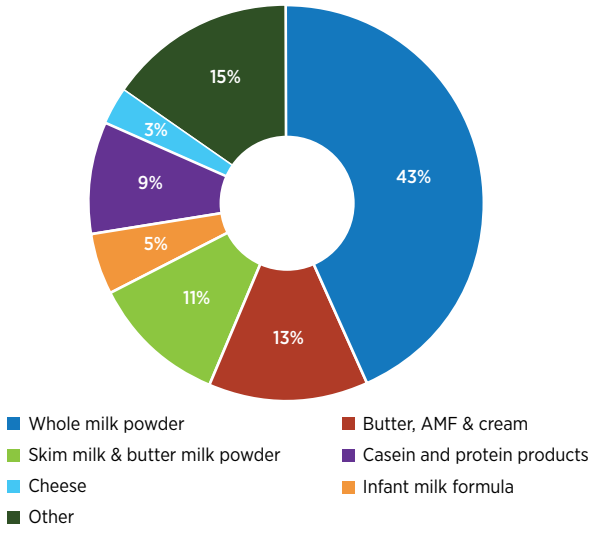
FIGURE 2.4 NEW ZEALAND DAIRY REGIONS

In 2018, New Zealand produced 21.4 million tonnes of milk[20] from 4.99 million cows.[21] Figure 2.5 below shows the breakdown of dairy products produced from New Zealand's raw milk. Products produced include Whole Milk Powder (**WMP**), Skim Milk Powder (**SMP**), Anhydrous Milk Fat (**AMF**), cheese, casein, whey products, milk protein concentrates, cream products, infant milk formula and others.

FIGURE 2.5: NEW ZEALAND DAIRY PRODUCT EXPORT QUANTITIES 2019 (MILK SOLIDS)

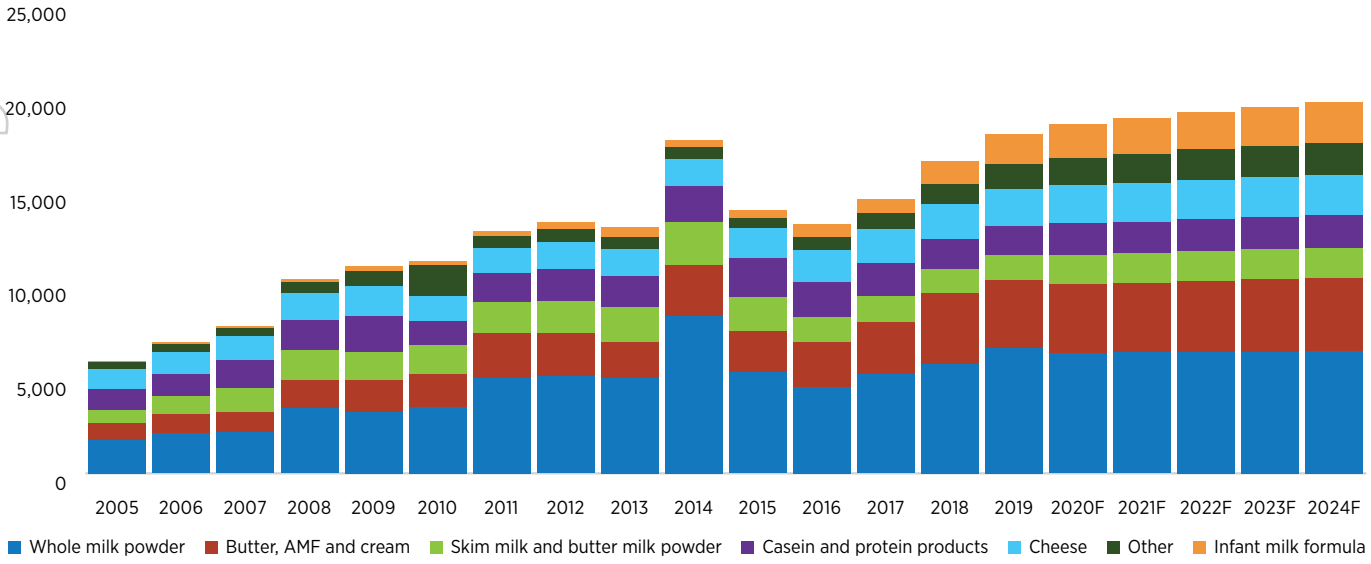


Source: New Zealand Ministry of Primary Industries

20. Food and Agriculture Organisation of the United Nations; "Dairy Market Review" (March 2019), http://www.fao.org/3/ca3879en/ca3879en.pdf
21. Quick Stats about Dairying New Zealand 2019; https://www.dairynz.co.nz/media/5791052/quickstats-about-dairying-new-zealand-2019.pdf

Figure 2.6 below highlights the total export value of the New Zealand dairy industry by sub-sector.

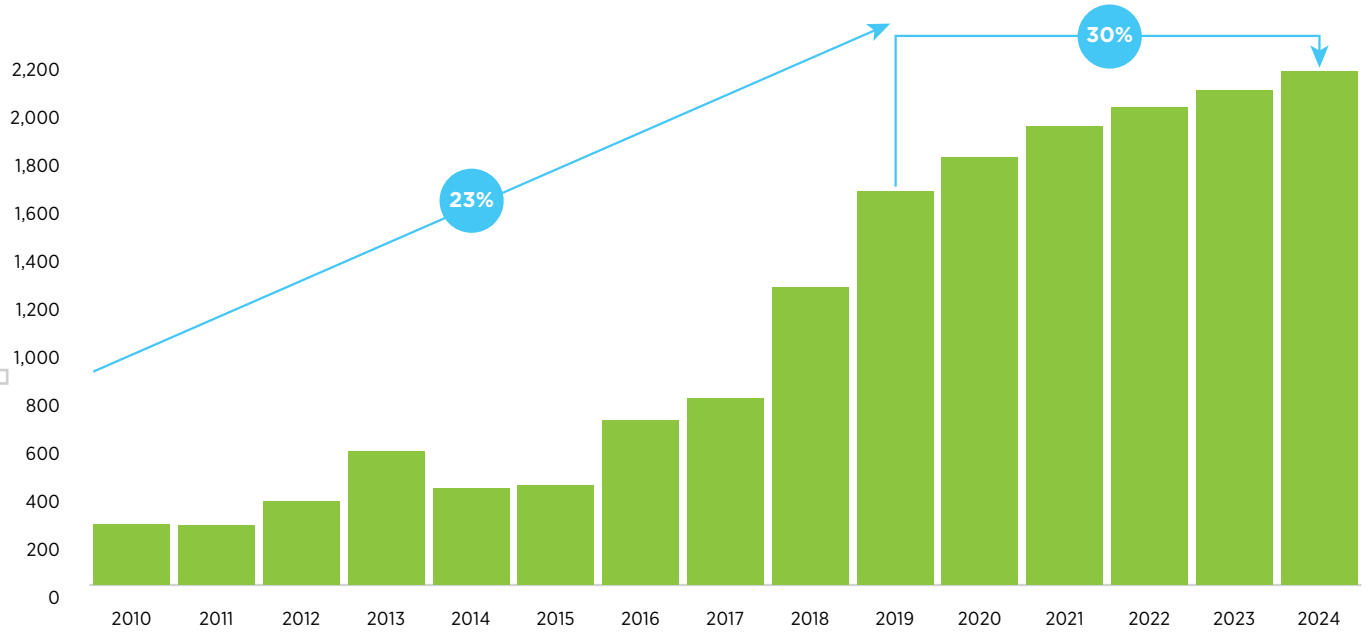
FIGURE 2.6: EXPORT VALUE OF THE NEW ZEALAND DAIRY INDUSTRY BY SUB-SECTOR



Source: New Zealand Ministry of Primary Industries

According to New Zealand's Ministry of Primary Industries (**MPI**), the CAGR of the total export revenue for dairy products in New Zealand between 2010 and 2019 was 6%. During this same period, the CAGR for IMF was significantly greater at 23%.[22] Figure 2.7 below shows MPI's forecasted revenue from the IMF industry increasing by 30% between 2019 and 2024, compared to an overall increase to the New Zealand dairy industry of 9%.[23] The majority of this export revenue is coming from China, New Zealand's top trading partner accounting for 31%[24] of dairy export revenue in the nine months to March 2019.

FIGURE 2.7: VALUE OF INFANT FORMULA EXPORTED FROM NEW ZEALAND



Source: New Zealand Ministry of Primary Industries

22. https://www.mpi.govt.nz/news-and-resources/open-data-and-forecasting/situation-and-outlook-for-primary-industries-data/
23. https://www.mpi.govt.nz/news-and-resources/open-data-and-forecasting/situation-and-outlook-for-primary-industries-data/
24. Situation and Outlook for Primary Industries - June 2019; https://www.mpi.govt.nz/dmsdocument/34938/direct

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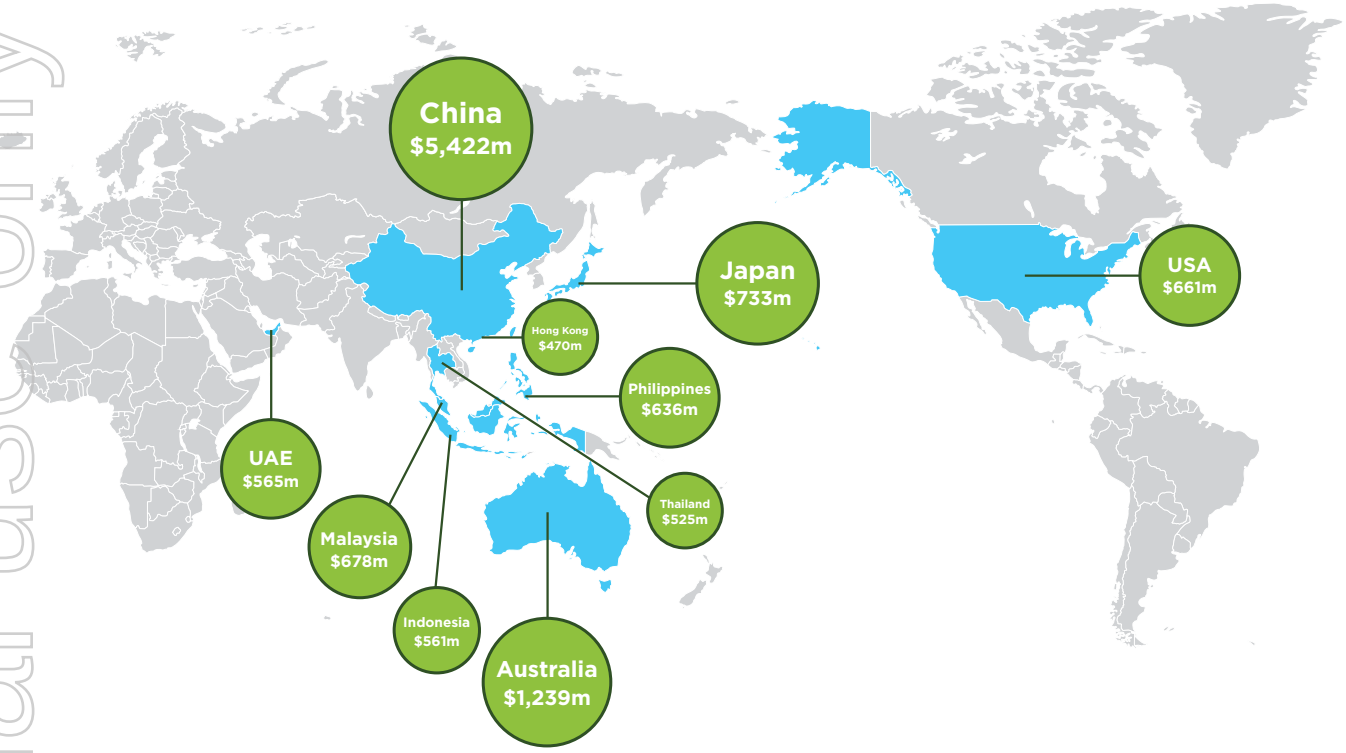
Figure 2.8 below outlines the top 10 export destinations for New Zealand milk equivalents. Export revenue generated from dairy imports to China in the 12 months to March 2019 was approximately $NZ5.4 billion.[25]

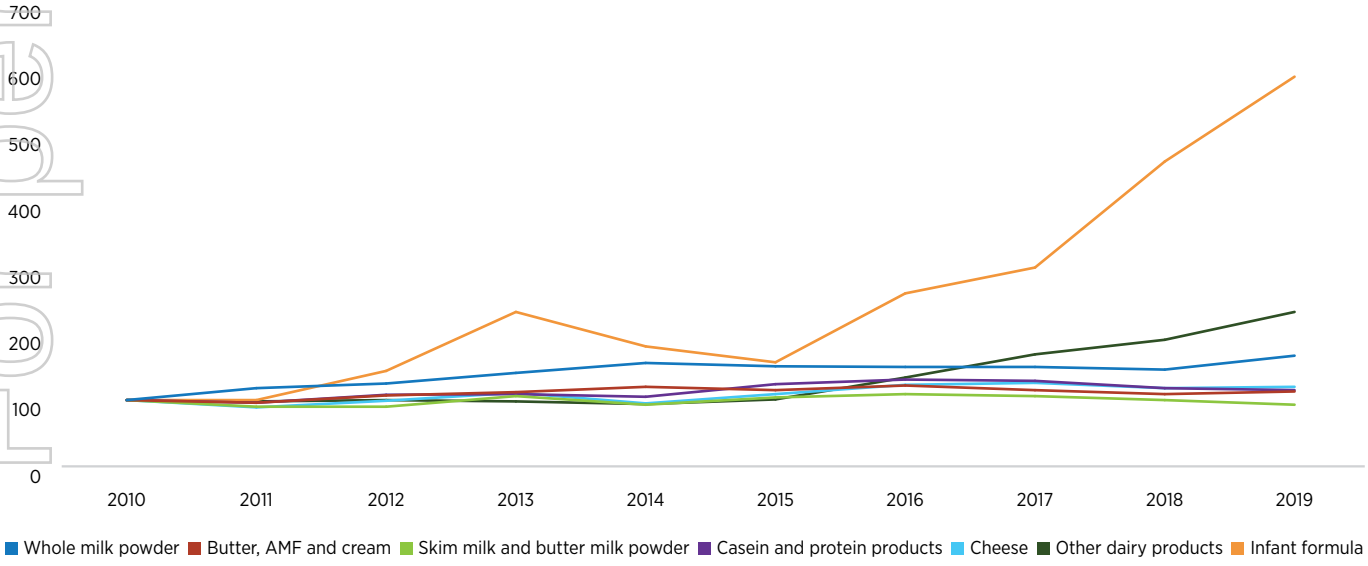
FIGURE 2.8 TOP 10 EXPORT DESTINATIONS FOR NEW ZEALAND MILK EQUIVALENTS



Source: Situation and Outlook for Primary Industries June 2019[26]

According to MPI, in New Zealand, the volume of IMF produced between 2010 and 2019 increased by approximately 588%. This was the largest increase out of any dairy product during this period. This trend is expected to continue with IMF production forecasted to increase by approximately 127% between 2019 and 2024, the highest uplift out of all dairy categories.[27]

FIGURE 2.9: DAIRY PRODUCTION IN NEW ZEALAND INDEXED TO 2010



Source: New Zealand Ministry of Primary Industries

25. Situation and Outlook for Primary Industries – June 2019; https://www.mpi.govt.nz/dmsdocument/34938/direct
26. https://www.mpi.govt.nz/dmsdocument/34938/direct
27. https://www.mpi.govt.nz/news-and-resources/open-data-and-forecasting/situation-and-outlook-for-primary-industries-data/

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2.2 Global milk powder market

As outlined in Table 2.1 below, industry growth is driven by a number of trends including, but not limited to the following.

TABLE 2.1: TRENDS DRIVING THE DAIRY INDUSTRY

High protein as part of everyday natural health	Rise of plant-based alternatives featuring plant-based ingredients
Gut health rich in probiotics	Products with "high fibre" and other functional claims
High protein trend	"Grab and go" dairy snack-sized products; healthy food snack replacements
Mass customisation	Differentiated dairy brand products customised and targeted for children and adults offering higher nutritional requirements. Building brand loyalty beyond children
Sustainability	Increasing consumer awareness of sustainability beyond organic; to animal welfare, free range, produce made by farmers and the war against plastic
Taste	Increasing emphasis on marketing dairy on taste, packaging and indulgent flavours
Allergy free	Growing consumer demand for lactose-free and "easy digestible" dairy alternatives including goat, sheep, camel, A2 and organic milk
Alternative business models	Re-considering channel strategies; artisanal dairy, milk delivery, food trucks and subscription boxes

2.3 China IMF market

With imports of dairy equivalents to China increasing by 74%[28] between 2013/14 to 2017/18 China is the largest importer in the dairy market. In 2018, China imported 14.6 thousand tonnes of milk equivalents, representing 19% of the world's imports.[29] Chinese demand for dairy is anticipated to continue on this growth trajectory for various reasons, namely due to the continual rise of living standards, the ending of the one-child policy and the fact that in 2016 the Chinese Nutrition Society increased the recommended daily consumption of dairy products.[30] China's liquid milk per capita consumption in 2016 was 17.8kgs compared with 30.8kgs for Japan and 71.6kgs for the U.S.[31] Consumption of milk per capita in China could converge with Western countries, resulting in a large opportunity for dairy producers.

This growth is also due to the significant increase in demand for differentiated high-end IMF. The retail sales value of China's IMF market is estimated to be worth approximately $26.7 billion.[32] This is forecasted to increase to $32.3[33] billion by 2023, representing a CAGR of 5%. Product quality, safety and novel ingredients are critical to the Chinese market, resulting in a significant increase in imports from New Zealand.

28. Market brief China October 2017, p.11, https://www.dairyaustralia.com.au/industry/exports-and-trade/international-market-briefs
29. Food and Agriculture Organisation of the United Nations "Dairy Market Review" (March 2019), http://www.fao.org/3/ca3879en/ca3879en.pdf
30. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5018612/
31. https://seekingalpha.com/article/4209877-china-mengniu-dairy-chinas-per-capita-milk-consumption-converge
32. https://ozscientific.com/infant-formula-market-in-china-remains-a-growth-market-for-global-players/
33. https://ozscientific.com/infant-formula-market-in-china-remains-a-growth-market-for-global-players/

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SECTION 3

Company Overview

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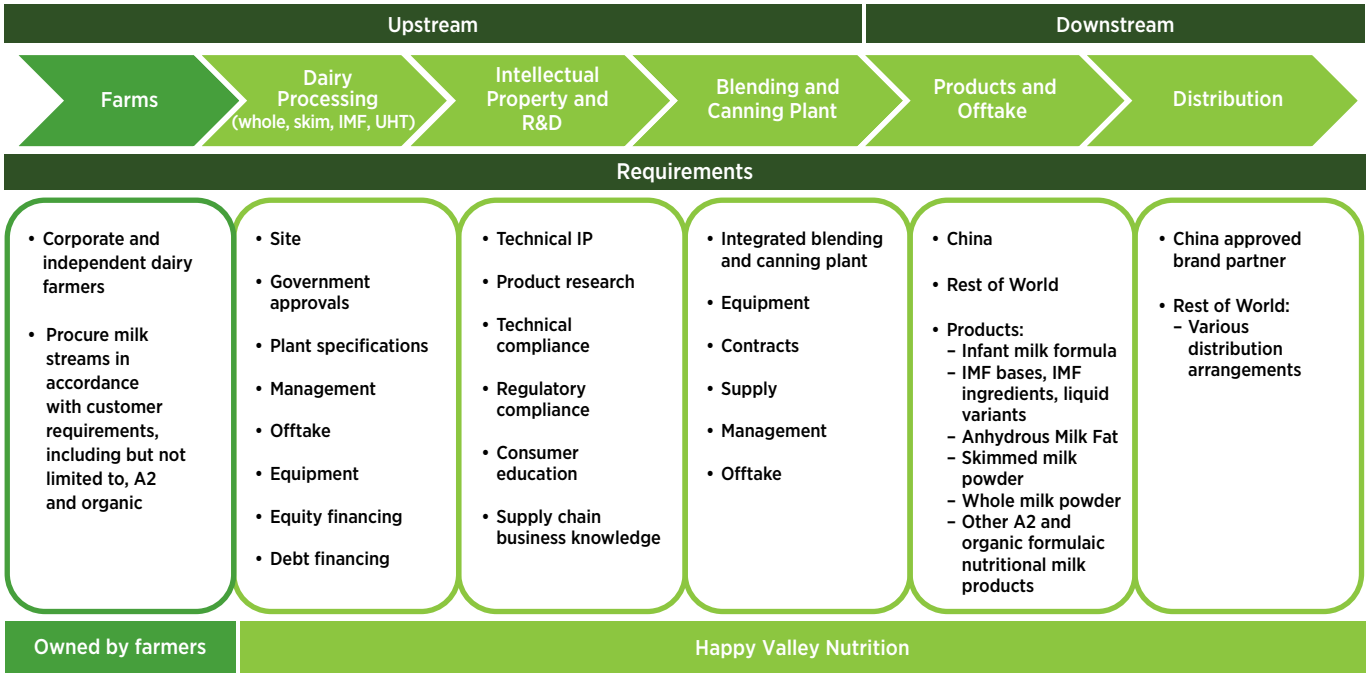
3.1 Introduction

3.1.1 Overview of The Company

The Company's vision is to become a trusted B2B supplier of IMF and Other Nutritional Products, which primarily utilise A2 and organic milk.

The Company has a unique opportunity to create premium products for customers focused on provenance, innovation and product flexibility through the development and operation of the proposed Facility.

FIGURE 3.1: VERTICALLY INTEGRATED NUTRITIONAL GRADE PLANT



3.2 Company History

The Company was incorporated in New Zealand on 8 April 2016 to develop the Facility.

The Facility is proposed to be constructed at 5 Redland Road, Otorohanga, which was acquired from a local dairy farmer and businessman. The site is located near the centre of the North Island of New Zealand, a large A2 and organic milk producing region. The site is located approximately 180 kilometres south of the Port of Auckland.

The Company has successfully obtained Resource Consents from the ODC and WRC which include land use, air discharge, stormwater discharge and water take to develop the proposed Facility and is currently working towards the Pre-Project Activities.

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FIGURE 3.2: LOCATION OF THE COMPANY'S FACILITY IN OTOROHANGA, IN THE WAIKATO REGION OF NEW ZEALAND

3.3 Key Growth Milestones

The Company has successfully achieved the following milestones in the table below.

TABLE 3.1: KEY GROWTH MILESTONES

2016	2017 – 2018	2019
• Incorporated on 8 April 2016 • Acquired the site for the proposed Facility located in Otorohanga, in the Waikato region • In collaboration with a leading firm of engineering consultants and a global dairy plant manufacturer completed conceptual site designs of the proposed Facility • Application for ODC land use Resource Consents submitted	• Public hearing held • Secured land use Resource Consent from the ODC to build the Facility on the acquired site • Application for WRC Resource Consents for air discharge, stormwater discharge, wastewater discharge and water supply • Secured three out of four WRC Resource Consents	• Secured the final WRC Resource Consent which pertained to water supply • Entered into a conditional sale and purchase agreement for a neighbouring property for the purpose of wastewater irrigation • Identified and engaged with a network of dairy farmers that produce A2 and organic milk who are located within a 150 kilometre radius catchment area • Conducted a detailed geo-technical investigation across the site where the proposed Facility will be built. A factual geotechnical site report was also produced for the Company to inform the detailed structural design of the proposed Facility • Appointed a General Manager with extensive milk production industry experience and expertise • Gained water Resource Consent for the use of bores on the Company's owned land • Engaged with potential strategic partners globally that have branded products

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3.4 Resource Consents

3.4.1 Resource Consents granted

Resource consents granted are outlined in Table 3.2 below to the extent the Facility is designed for Other Nutritional Products variations to these Resource Consents may be required.

TABLE 3.2: RESOURCE CONSENTS GRANTED TO THE COMPANY

Consent	Date	Consent granted	Key conditions
Stormwater discharge consent – construction activities	30 November 2016	A stormwater discharge consent from WRC for the purposes of construction activities	• Treatment of all sediment laden run-off treated by sediment retention structures • Monitoring and compliance reporting to WRC
Cleanfill discharge consent – construction activities	30 November 2016	A cleanfill discharge consent from WRC to undertake cleanfilling activities associated with the construction of the Facility	• Construction Traffic Management Plan • Erosion and Sediment Control Plan • No earthworks in winter
Land use consent	8 February 2018	Land use consent from the ODC to build the Facility on the acquired site. This allows for up to two 8 metric tonne per hour spray dryers, a warehouse, blending and packaging plant, and associated services	• Landscaping, planting and visual amenity mitigation measures on the acquired site and neighbouring properties listed in the consent • Roading upgrades • Operational transport plan and daily truck limit • Tangata Whenua engagement and funding
Air discharge consent	12 November 2018	An air discharge consent from WRC for dust, gases, particles and odour from the Facility	• Compliance reporting to WRC • Maintenance of an Air Quality Management Plan • Monitor and report complaints • Annual reviews by WRC
Stormwater discharge consent	26 November 2018	A stormwater discharge consent from WRC to discharge into the Waipa River during the operation of the Facility	• Monitoring and compliance reporting to WRC • Riparian planting along farm drain • Stormwater Management Plan • Annual reviews by WRC
Wastewater discharge consent	7 February 2019	A wastewater discharge consent from WRC to allow dairy factory wastewater to discharge to land including associated aerosols and odour	• Maximum discharge volumes • Construction of storage pond • Limits on nutrient and phosphorus loading • Irrigation Management Plan • Riparian Management Plan and planting • Agreement with landowners • Cultural engagement • Compliance monitoring and reporting to WRC • Annual reviews by WRC
Surface water take consent	19 April 2019	A water take consent from WRC to include the Company in a water user group that will provide all necessary water required for the Company operations	• Limits on water take. • Water licence agreement with water user group (see Section 9.4.7)
Ground water take consent	20 September 2019	A water take consent from WRC to take water from the Company's two bores located at 132 Ourowhero Road, Otorohanga	• Maximum daily and annual takes • Annual reviews by WRC

3.4.2 Further consents/agreements required

There are further consents and third party agreements which are either expressly specified in the Resource Consents or otherwise needed to meet the Resource Consents. These are set out below.

The wastewater discharge Resource Consent specifies two separate properties as "associated land" that are required for the discharge of wastewater from the Facility. The Company's preferred solution for transporting the wastewater from the Facility to these properties is via a proposed pipeline connecting the two properties. In addition to any resource consents required for the construction of the pipeline, the following third-party agreements/consents are required to enable this discharge and associated infrastructure and as at the Prospectus Date remain outstanding:

- Arrangements with the owners of one of the farms for the purposes of water irrigation are yet to be concluded. Concurrently the Company is considering other solutions which may require further WRC resource consents.
- Consent from the New Zealand Transport Authority and other land owners for the proposed wastewater pipeline to be located in the public road and driveway connecting the Facility to these two separate properties.

If either of these agreements/consents are not obtained an alternative wastewater solution will be required for the proposed Facility.

The ground water take Resource Consent specifies two bores located on the Company's freehold property at 132 Ouruwhero Road. The Company's preferred solution for transporting this water from 132 Ouruwhero Road to the Facility is via a proposed pipeline connecting the two properties. In addition to any further resource consents required for the construction of the pipeline, the following third-party agreements/consents are required:

- Consent from ODC and other land owners for the proposed water pipeline to be located in the public road and driveway connecting 132 Ouruwhero Road to the Facility.
- Consent from WRC for the proposed pipeline go under the Waipa River. This is a permitted activity if the relevant development standards are met.
- An easement or other property interest enabling the pipeline to cross third-party land. The indicative location of the pipeline currently crosses two properties in third party ownership, including the property covered by the Agreement to Grant an Easement (see Section 9.4.3).

If these agreements/consents are not obtained an alternative water transport solution will be required for the Facility.

An easement to carry water through a pipeline from the Waipa River in accordance with the Agreement to Grant an Easement (see Section 9.4.4) to enable the Company to exercise the rights under the Water Licence Agreement (see Section 9.4.7) over the property covered by the Agreement to Grant an Easement land to the Facility is required, with agreement needed on the terms and location of that easement.

Routine resource consents and other approvals that are required in relation to construction of the Facility are likely to include the following:

- WRC and ODC earthworks consents for wastewater storage dam(s) on the two separate properties; and
- earthworks consents from ODC and WRC as applicable for the:
  - proposed water pipeline from 132 Ouruwhero Road to the Facility;
  - proposed wastewater pipeline from the Facility to two separate properties as described above; and
  - pipeline structure under the bed of the Waipa River for the proposed water pipeline.

Routine building consents will be required for the construction of the Facility. ODC must grant building consents if it is satisfied that the provisions of the New Zealand Building Code will be met. Certificates and approvals may be needed for the storage of hazardous substances under the Hazardous Substances and New Organisms Act 1996 (NZ).

There will be a requirement for other routine permits, consents and certifications as the design of the Facility progresses. As the design progresses, the details of these permits, consents and certification will be defined.

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3.5 Business model

3.5.1 Overview

The Company intends to build and operate the Facility that produces IMF and Other Nutritional Products for sale in the global export markets. The Company's intention is to become a trusted business-to-business (**B2B**) supplier.

Post Listing, the initial phase for the Company is to carry out Pre-Project Activities which are set out in more detail below:

Site preparation	• Detailing designs to enable earthworks to commence and prepare for the construction of the proposed Facility • Develop key management plans in accordance with the requirements by the ODC for earthworks and preliminary construction activities • Secure any further required consents and permits described in Section 3.4.2
(If full Subscription of $15,000,000 is achieved)	• In the event the Company receives more than the Minimum Subscription of $12,000,000, the additional funds will be applied primarily on site preparation and additional costs associated with the Offers and general overheads
Industry-leading talent	• Attract, retain and develop industry-leading talent • Appoint key senior management across key functional areas to build organisational capability
Finalise basis of design and construction planning	• Engage engineering consultants to assist with finalising the basis of designs, procurement strategy, budgeting and planning for the construction of the proposed Facility • Refine user requirements and specifications with strategic partner product requirements • There will be a parallel strategy on product requirements. One strategy will focus on IMF requirements, the other will focus on Other Nutritional Product requirements • Finalise utility connection details, including electrical power and natural gas connections • Optimise the water and wastewater design solution for the proposed Facility • Secure any further required consents and permits • Negotiate and enter into key procurement contracts, likely subject to securing funding, for the construction of the proposed Facility • Strengthen governance frameworks and support processes for the construction and commissioning of the proposed Facility • Secure OIO consent as soon as possible in relation to the establishment of the Facility
Strategic partners	• Secure a strategic partner(s) for IMF and/or Other Nutritional Products. The Company intends to secure a strategic partner early to address project design and other key considerations, including possible funding and/or other long term agreements • Continue discussions with milk suppliers, ideally located within a 150 kilometre radius of the site
Secure funding	• Once the basis of design and strategic partner(s) are meaningfully engaged, the Company will undertake a process to identify the available sources of funds, then structure, document and secure the funding from those sources for the procurement and construction of the Facility and the working capital requirements during the periods of construction, commissioning and the ramp up phase of production • The Company currently estimates it will require approximately $328 million to fund the Facility and working capital requirements. Alternatively in the event a strategic partner(s) is secured for Other Nutritional Products, the funding requirement is likely to be significantly less than $328 million. The Company has identified various sources of funds including further equity capital, various forms of debt and possible strategic partner capital. • The Company has approached financiers to gauge expressions of interest for future funding arrangements. As a result of these discussions, the Company has received interest from potential financiers on the basis that the Company has in place acceptable arrangements with strategic partners. Accordingly, securing a strategic partner remains a priority for the Company. • The Company has identified and engaged with a number of potential strategic partners including multinational and smaller local companies in the dairy industry and is also negotiating a draft agency agreement to broker certain milk powder products to be produced by the Company into the global market. The aim is for the Company to secure strategic partners in the first instance and then funding for the construction of the Facility in the 12 months following Listing, this is also contemplated in the Company's budget for the next 12 months.

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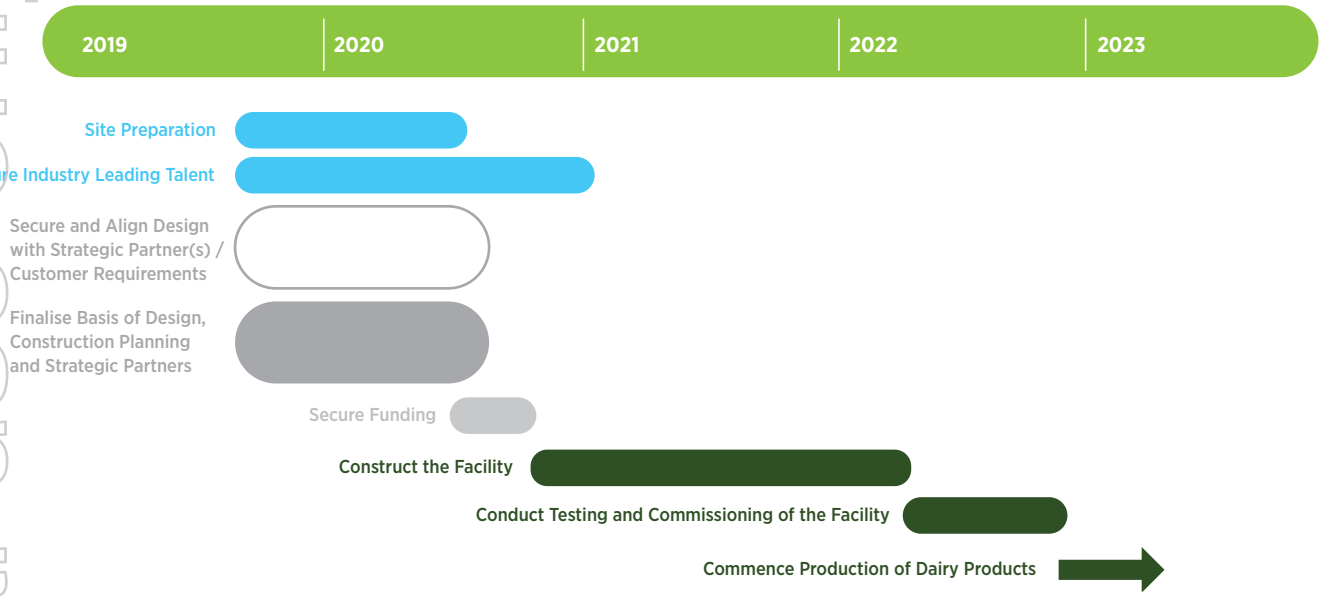
3.5.2 Timeline to first production

As outlined in Section 3.5.1, the Company post Listing will commence Pre-Project Activities. In 2020, the Company will aim to complete with Pre-Project Activities. This may enable a timeline for first commercial production for the FY2023 milk season, being July 2022 - June 2023. However, depending on the timing to secure a strategic partner and additional funding this could slip to the FY2024 milk season being July 2023 - June 2024. The timeline to first production will be firmed up during the Pre-Project Activities period.

FIGURE 3.3: TIMELINE



3.6 Employees

In addition to the Company's current employees, as part of the Pre-Project Activities outlined in Section 3.5.1, the Company will seek to appoint further key senior management across key functional areas. This includes, but is not limited to, a Chief Financial Officer, General Manager of Quality and the General Manager of Sales and Marketing. These appointments will strengthen the internal capability for the Company and prepare the Company for the construction phase.

3.7 The Company's Growth Strategy

The Company's growth strategy can be classified under four pillars, Partners/Customers and Products, Milk Supply, Construction and Quality.

3.7.1 Partners/Customers and Products

The Company is pursuing a B2B strategy and has been in discussions with potential strategic partners and customers, for both IMF and Other Nutritional Products. Most of the major global brand owners wish to manufacture and source product from New Zealand. A challenge for many of them in pursuing the strategy of obtaining the consents on their own, include factors such as their complex relationship with their existing supply base either on product, ingredients or the farming side and the complexity of obtaining the full approvals to obtain consents to build a facility similar to the one the Company is proposing.

One of the Pre-Project Activities is for the Company to secure a partner(s) in the early stages post IPO, and within 6 months of Listing. The need for the Company to engage a partner early is important due to their involvement during the design phase, determination of product, process design, quality validation and the possibility of making a material commitment to the project through funding or a long term agreement. A benefit of early engagement on the design stage could lead to a greater certainty of success in the commissioning, therefore reducing the time to market.

The existence of acceptable arrangements with strategic partners will also assist the Company's efforts to secure additional financing for the Facility. The Company received interest in its initial preliminary discussions with potential financiers on the basis that the Company will have in place acceptable arrangements with strategic partners. Accordingly, securing a strategic partner remains a priority for the Company.

The Company is also negotiating a draft agency agreement to broker certain milk powder products to be produced by the Company into the global market. The aim is for the Company to secure strategic partners in the first instance and then funding for the construction of the Facility in the 12 months following Listing, this is also contemplated in the Company's budget for the next 12 months.

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The Company is required to obtain relevant approvals and any in-market registrations prior to producing IMF and Other Nutritional Products. During the period the Company is seeking to obtain the relevant approvals and any in-market registrations for IMF, the Company is expected to produce SMP, WMP and AMF (subject to complying with the requirements of the Animal Products Act 1999 (NZ) (**APA**) and associated regulations, standards, notices and orders to produce SMP, WMP and AMF – see Section 3.7.4 below for further information). Once the Company has received relevant approvals and any in-market registrations to be able to produce IMF, the Company may also continue to produce SMP and AMF during the peak of the milk season to enable the Company to process peak milk volumes.

3.7.2 Milk pool

The Company is situated in one of the largest milk supplying regions in New Zealand and intends to commence negotiations with milk suppliers post Listing. This involves targeting milk pools that align with product requirements. This will primarily focus on organic, A2, and pasture fed milk supply.

3.7.3 Construction

Currently the proposed Facility for IMF is anticipated to be an 8 tonne[1] (WMP equivalent) per hour spray dryer and a dryblending and packaging plant for consumer ready product. The current ODC land use consent approval is for two 8 tonne (WMP equivalent) per hour spray dryers.

As part of the Pre-Project Activities outlined in Section 3.5.1, the design basis for the Facility, may vary to accommodate the mix of product requirements from strategic partners during the Pre-Project Activities phase. This will align with the partners, milk supply and quality requirements.

During Pre-Project Activities, commercial discussions will commence with utility providers, technical providers and equipment suppliers to prepare for construction. Optimisation of water supply and waste water design for the Facility will be conducted as part of Pre-Project Activities.

Various key construction contracts are anticipated to be agreed and signed during the same period, subject to the Company securing the appropriate level of funding for the construction of the Facility, and for working capital requirements during the periods of construction, commissioning and the ramp up phase of production.

3.7.4 Quality

Quality and regulatory requirements are fundamental to the Company's ability to export product. The Company also need to build capability and develop a culture that aligns with the consumer requirements of the product offering.

The Company will be subject to the food safety standards and legislation in New Zealand. The Company will be required to register as an exporter and comply with the APA and associated regulations, standards, notices and orders enforced by MPI, including the requirements of the Australia New Zealand Food Standards Code. One of the requirements is for the Company to have a RMP that is verified and registered with MPI. A RMP is a documented and regulated programme relating to an individual business which describes how the business will process its products to meet the requirements of the APA. The RMP will result in the Company adhering to high food safety standards, which will be audited regularly by an MPI-recognised verifying agent.

For organic products manufactured under the Official Organic Assurance Programme (**OOAP**), the Company will be required to register as an organic operator with an MPI-recognised third party agency and register as an organic exporter with MPI. The OOAP covers the export of organic products to the European Union, Japan, Switzerland, Taiwan and the USA. In relation to Australia, Australia and New Zealand operate under a Trans-Tasman Mutual Recognition Arrangement. This usually means that goods that can be legally sold in New Zealand as organic can also be sold in Australia as organic.

3.8 Concluding Comment

Investment in the Company must be regarded as highly speculative and neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of the Shares, including those offered by this Prospectus, will be achieved.

1. Includes processing steps from milk reception, wet process, wet-mix kitchen, powder handling and packing; along with the associated site services, infrastructure and support systems for a 8 metric tonne per hour (WMP equivalent) spray dryer to operate

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SECTION 4

Financial information

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4.1 Introduction

As a New Zealand incorporated entity the Company has prepared its historic financial information based on the accounting and reporting requirements applicable in New Zealand.

This Section 4 contains a summary of the Company's:

- **Statutory Historical Financial Information**, comprising the:
  - statutory historical income statements for the financial period ended 31 March 2017 (12 months), period ended 30 June 2018 (15 months) and year ended 30 June 2019 (12 months);
  - statutory historical statements of cash flows for the financial period ended 31 March 2017 (12 months), period ended 30 June 2018 (15 months), and year ended 30 June 2019 (12 months); and
  - statutory historical statements of financial position as at 31 March 2017, 30 June 2018 and 30 June 2019.
- **Pro Forma Historical Financial Information**, being the pro forma historical statement of financial position of the Company as at 30 June 2019.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information is collectively the **Financial Information**.

The Company changed its financial year end from 31 March to 30 June during the period ended 30 June 2018. As such the financial period ending 30 June 2018 includes the previous 15 months, whereas the financial periods ending 31 March 2017 and 30 June 2019 includes the previous 12 months.

Also summarised in this Section 4 are:

- the basis of preparation and presentation of the Financial Information (see Section 4.2); and
- the Company's proposed dividend policy (see Section 4.10).

The Financial Information has been reviewed and reported on by HLB Mann Judd Corporate (NSW) Pty Ltd whose Independent Limited Assurance Report is contained in this Section 8. Investors should note the scope and limitations of the report.

The information in this Section 4 should also be read in conjunction with the risk factors set out in Section 5 of the Prospectus and other information contained in the Prospectus.

All amounts disclosed in this Section 4 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest dollar. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview

The Company's historic financial statements have been prepared in accordance with the relevant provisions of the General Purpose Framework in accordance with NZ IFRS RDR published within the New Zealand Accounting Standards Framework. The Company was historically eligible to report under the NZ IFRS RDR on the basis that it does not have public accountability and is not a large for-profit public sector entity.

The Company is based in New Zealand, resulting in the use of NZIFRS RDR in the preparation of its financial information, including the financial information presented in this Section/Prospectus. NZIFRS RDR accounting standards have some differences to the International Financial Reporting Standards (**IFRS**), which are required to be used for the preparation of Financial Information used in a Prospectus by the ASX (Listing Rule 1.3.5). A reconciliation has been prepared between the Financial Information prepared under NZIFRS RDR and the Financial Information if prepared under IFRS. While no material differences were noted between the presentation of the information under NZIFRS RDR and IFRS, more information is included in Section 4.8.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The Company and the Company's key accounting policies have been consistently applied throughout the periods and are set out in Section 4.7.

4.2.2 Preparation of Statutory Historical Financial Information

The Statutory Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus and is a summarised version of the audited statutory financial statements of the Company for the financial years ended 31 March 2017 (**FY2017**), 30 June 2018 (**FY2018**) and 30 June 2019 (**FY2019**). The FY2017, FY2018 and FY2019 statutory financial statements were audited by HLB Mann Judd, New Zealand.

4.2.3 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information is based on the audited statutory financial statements of the Company for the year ended 30 June 2019 after adjusting for the impacts of the Offer and certain other pro forma transactions and adjustments.

The Pro Forma Historical Financial Information does not reflect the actual financial results of the Company for the periods indicated. The Directors of the Company believe that it provides useful information as it permits investors to examine what it considers to be the underlying financial performance of the business presented on a consistent basis.

4.2.4 Foreign currency conversion

The Company's functional currency is New Zealand dollars due to the primary operations currently located in New Zealand. For each table within the financial information Section of this Prospectus the relevant information has been restated in Australian dollars. To translate the financial information into Australian dollars ($AUD) we have used the following conversion rates based on the Reserve Bank of Australia's (**RBA**) published foreign exchange rate tables.

TABLE 4.1: SUMMARY OF FOREIGN CURRENCY CONVERSION RATES

Foreign Currency Conversion Rates			
NZ$ to AUD$ exchange rate	31 March 2017	30 June 2018	30 June 2019
Average rate used in translating the statutory historical income statement and statement of cash flows	0.94	0.92	0.95
Exchange rate used in translating the statutory historical (and pro forma historical) statement of financial position	0.91	0.92	0.96

4.3 Statutory historical income statements

4.3.1 Overview of Statutory historical income statements

The table below sets out the audited statutory historical income statements of the Company for the financial periods ended 31 March 2017, 30 June 2018 and 30 June 2019.

TABLE 4.2: SUMMARY OF STATUTORY HISTORICAL INCOME STATEMENTS

Foreign Currency Conversion Rates	Statutory historical Income Statement		
$AUD	Audited FY2017	Audited FY2018	Audited FY2019
Other income	1,425	659	12,109
Operating expenses	(1,443)	(249,645)	(806,437)
Operating income	**(18)**	**(248,985)**	**(794,328)**
Other expenses	–	–	(2,396)
Net profit before tax	**(18)**	**(248,985)**	**(796,724)**
Income tax expense	–	69,721	(72,066)
Net profit after tax	**(18)**	**(179,264)**	**(868,790)**

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4.4 Statutory historical statements of cash flows

4.4.1 Overview of statutory historical statements of cash flows

The table below sets out the audited statutory historical statements of cash flows of the Company for the financial periods ended 31 March 2017, 30 June 2018 and 30 June 2019.

TABLE 4.3: SUMMARY OF STATUTORY HISTORICAL CASH FLOW STATEMENTS

	Statutory historical statement of cash flows		
$AUD	Audited FY2017	Audited FY2018	Audited FY2019
Cash flow from operating activities			
Receipts from customers	2.322	918	24,256
Payments to suppliers and employees	(1,913)	(254,458)	(983,474)
Net cash provided by/(used in) operating activities	**409**	**(253,540)**	**(959,218)**
Cash flow from investing activities			
Cash flow from other investing activities	–	(51,253)	52,977
Payments for property, plant and equipment	(491,251)	(1,391,119)	(1,727,710)
Net cash provided by/(used in) investing activities	**(491,251)**	**(1,442,372)**	**(1,674,733)**
Cash flow from financing activities			
Proceeds from loans	–	–	2,017,716
Net proceeds from share issue	548,037	521,555	–
Proceeds from convertible note issue	–	2,972,279	–
Net cash provided by/(used in) financing activities	**548,037**	**3,493,834**	**2,017,716**
Net (decrease)/increase in cash	**57,195**	**1,797,923**	**(616,235)**
Cash, beginning of year	–	57,195	1,855,838
Foreign exchange translation	–	720	62,406
Cash, end of year	**57,195**	**1,855,838**	**1,302,009**

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4.5 Statutory and pro forma historical statements of financial position

4.5.1 Overview statutory and pro forma historical statements of financial position

The tables below set out the audited statutory historical statements of financial position of the Company as at 31 March 2017, 30 June 2018 and 30 June 2019.

TABLE 4.4: SUMMARY OF STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITIONS

	Statutory historical statement of financial position		
$AUD	Audited FY2017	Audited FY2018	Audited FY2019
Current Assets			
Cash and cash equivalents	57,195	1,855,838	1,302,009
Trade and other receivables	–	51,253	–
Other current assets	5,843	41,838	26,150
Total Current Assets	**63,038**	**1,948,929**	**1,328,159**
Non-Current Assets			
Property, plant and equipment	1,732,858	3,597,352	5,382,178
Other receivables	–	69,721	–
Other non-current assets	–	–	13,566
Total Non-Current Assets	**1,732,858**	**3,667,073**	**5,395,744**
TOTAL ASSETS	**1,795,896**	**5,616,002**	**6,723,903**
Current Liabilities			
Trade and other payables	133,814	424,221	410,061
Other current liabilities	–	194,196	–
Secured convertible notes	–	2,972,279	3,072,228
Total Current Liabilities	**133,814**	**3,590,696**	**3,482,289**
Non-Current Liabilities			
Secured converting loan	–	–	2,016,992
Total Non-Current Liabilities	**–**	**–**	**2,016,992**
TOTAL LIABILITIES	**133,814**	**3,590,696**	**5,499,281**
NET (LIABILITIES)/ASSETS	**1,662,082**	**2,025,306**	**1,224,622**
Equity			
Share capital	1,662,100	2,204,589	2,278,723
Retained earnings	(18)	(179,283)	(1,054,101)
TOTAL EQUITY	**1,662,082**	**2,025,306**	**1,224,622**

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4.5.2 Commentary on major items included in the historical statements of financial position for the Company

Key items within the historical statement of financial position of the Company as at 30 June 2019 include:

- Property, plant and equipment – primarily relates to the site acquired for the proposed Facility located in Otorohanga and the development costs that the company has incurred. The value of the assets is recognised at cost less accumulated depreciation;
- Trade and other payables – relates to amounts payable to third parties in relation to goods and services provided to the Company;
- Secured loans and convertible notes:
  - Secured convertible note: on 21 May 2018 the Company entered into a Convertible Note Deed pursuant to which the Company issued $3 million worth of convertible notes. Conversion will occur on the receipt of conditional approval from ASX of the Company's admission to the Official List (**Convertible Notes**).
  - Secured converting loan: on 2 May 2019 the Company entered into a secured $2 million loan agreement which will be repaid on the receipt of conditional approval from ASX of the Company's admission to the Official List by the issue of 12.5 million Shares (**Converting Loan**).

4.5.3 Pro Forma aggregated statement of financial position

The table below sets out the pro forma historical statement of financial position as at 30 June 2019. The pro forma historical statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

TABLE 4.5: STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

			Pro forma aggregated statement of financial position			
			Minimum Subscription		Full Oversubscription	
$AUD	Notes	Audited as at 30 June 2019	Pro forma adjustments	Pro forma	Pro forma adjustments	Pro forma
CURRENT ASSETS						
Cash and cash equivalents	1	1,302,009	11,737,016	13,039,025	14,553,787	15,855,796
Trade and other receivables		–	–	–	–	–
Other current assets		26,150	–	26,150	–	26,150
Total Current Assets		**1,328,159**	**11,737,016**	**13,065,175**	**14,553,787**	**15,881,946**
NON-CURRENT ASSETS						
Property, plant and equipment		5,382,178	–	5,382,178	–	5,382,178
Other Non-current assets		13,566	–	13,566	–	13,566
Total Non-Current Assets		**5,395,744**	**–**	**5,395,744**	**–**	**5,395,744**
TOTAL ASSETS		**6,723,903**	**11,737,016**	**18,460,919**	**14,553,787**	**21,277,690**
CURRENT LIABILITIES						
Trade and other payables		410,061	–	410,061	–	410,061
Secured convertible note		3,072,228	(3,072,228)	–	(3,072,228)	–
Total Current Liabilities		**3,482,289**	**(3,072,228)**	**410,061**	**(3,072,228)**	**410,061**
NON-CURRENT LIABILITIES						
Secured converting loan		2,016,992	(2,016,992)	–	(2,016,992)	–
Total Non-Current Liabilities		**2,016,992**	**(2,016,992)**	**–**	**(2,016,992)**	**–**
TOTAL LIABILITIES		**5,499,281**	**(5,089,220)**	**410,061**	**(5,089,220)**	**410,061**
NET ASSETS		**1,224,622**	**16,826,236**	**18,050,858**	**19,643,007**	**20,867,629**

			Pro forma aggregated statement of financial position			
			Minimum Subscription		Full Oversubscription	
$AUD	Notes	Audited as at 30 June 2019	Pro forma adjustments	Pro forma	Pro forma adjustments	Pro forma
Equity						
Share capital	2	2,278,723	21,822,500	24,101,223	24,642,500	26,921,223
Share options reserve		–	4,538,196	4,538,196	4,538,196	4,538,196
Retained earnings	3	(1,054,101)	(9,534,460)	(10,588,561)	(9,537,689)	(10,591,790)
TOTAL EQUITY		**1,224,622**	**16,826,236**	**18,050,858**	**19,643,007**	**20,867,629**

4.5.4 Notes on the pro forma aggregated statement of financial position

The pro forma statement of financial position as at 30 June 2019 is based on the audited statutory historical statement of financial position of the Company as at 30 June 2019 after allowing for the following adjustments:

- A minimum subscription of $12 million (60 million shares at $0.20) under the Public Offer, and the Full Oversubscription of $15 million (75 million shares at $0.20) under the Public Offer respectively;
- The pro forma statement of financial position reflects the net impact of the proposed capital raising under the IPO. These include the following:
  - A minimum subscription of $12 million (60 million shares at $0.20) under the Public Offer, and the Full Oversubscription of $15 million (75 million shares at $0.20) under the Public Offer respectively;
  - Expenses of the Offers totalling $1.513 million (Minimum Subscription) and $1.696 million (Full Oversubscription) respectively (Section 9.12). These represent the gross expenses of the Offers which are split between an equity accounted portion, being $720,000 (Minimum Subscription) and $900,000 (Full Oversubscription) which represent the expenses payable to the Joint Lead Managers (Section 9.4.1), and the balance of amounts that will be expensed in the income statement, being $792,984 (Minimum Subscription) and $796,213 (Full Oversubscription) as detailed within the Expenses of the Offers (Section 9.12);
  - Unsecured convertible note 2: on 5 May 2019 the Company agreed to issue $500,000 worth of convertible notes, which was subsequently amended to $1.25 million worth of convertible notes on 10 October 2019, to former holders of convertible notes in Longreach Oil Limited (**Longreach**) who subscribed on the basis that Longreach was to acquire all of the Shares in the Company. Conversion will occur on the receipt of conditional approval from ASX of the Company's admission to the Official List (**Longreach Convertible Notes**).
  - The issue of 17.4 million shares Minimum Subscription and Full Oversubscription in connection with the Longreach Deed of Termination dated 10 October 2019 (Section 9.3.2).
  - 27.9 million Options have been granted to the Directors and will vest on Listing.
    - The Options issued to Randolph van der Burgh and David McCann have an exercise price of $0.20 each within 60 months of the vesting date (Section 6.4.3). The vesting date for these Options is the Listing date.
    - The Options issued to Anthony Kahn have an exercise price of $0.20 each within 36 months of the vesting date (Section 6.4.3). The vesting date for these Options is the Listing date.
    - The Options issued to Ivan Hammerschlag have an exercise price of $0.064 each within 60 months of the vesting date (Section 6.4.3). The vesting date for these Options is the Listing date;
- 38.9 million 'milestone' Options have been granted to the Directors and will vest on the Directors achieving the milestones.
  - The Options issued to Randolph van der Burgh and David McCann have an exercise price of $0.25 each within 36 months of the vesting date (Section 6.4.3). The vesting date for these Options is determined upon achieving certain vesting conditions.
  - The Options issued to Ivan Hammerschlag have an exercise price of $0.064 within 60 months of the vesting date (Section 6.4.3). The vesting date for these Options is determined upon achieving certain vesting conditions.
- Secured Convertible Notes worth $3 million, which is convertible to Shares on listing on the ASX; and
- Secured Converting Loan worth $2 million which will be redeemed by issuing 12.5 million shares on listing on the ASX.

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4.5.5 Pro forma cash and cash equivalents reconciliation

The table below details the reconciliation of the pro forma cash balance of the Company as at 30 June 2019, reflecting the actual cash at bank at the date and reflecting the impact of the pro forma adjustments as set out in Section 4.5.4.

TABLE 4.6: NOTE 1 – CASH & CASH EQUIVALENTS

	Pro Forma Historical Cash Reconciliation	
$AUD	Minimum Subscription	Full Oversubscription
Cash reconciliation		
Cash at 30 June 2019	1,302,009	1,302,009
Capital raising	13,250,000	16,250,000
Expenses of the Offers	(1,512,984)	(1,696,213)
Pro forma cash balance	**13,039,025**	**15,855,796**

4.5.6 Pro forma issued capital reconciliation

The table below details the reconciliation of the pro forma issued capital balance of the Company as at 30 June 2019, reflecting the actual issued capital balance at the date and reflecting the impact of the pro forma adjustments as set out in Section 4.5.4.

TABLE 4.7: NOTE 2 – SHARE CAPITAL

	Pro Forma Historical Issued Capital Reconciliation			
	Minimum Subscription		Full Oversubscription	
$AUD	Impact of the Offers ($)	Number of shares	Impact of the Offers ($)	Number of shares
Issued capital reconciliation				
Issued capital balance at 30 June 2019	2,278,723	85,552,381*	2,278,723	85,552,381*
Conversion of secured convertible note	3,000,000	26,735,119	3,000,000	26,735,119
Conversion of secured converting loan	2,500,000	12,500,000	2,500,000	12,500,000
Conversion of unsecured convertible note	1,562,500	7,812,500	1,562,500	7,812,500
Subscription of new capital	12,000,000	60,000,000	15,000,000	75,000,000
Issue of Longreach deed termination shares	3,480,000	17,400,000	3,480,000	17,400,000
Expenses of the Offer (equity portion)	(720,000)	–	(900,000)	–
Pro forma Issued Capital balance	**24,101,223**	**210,000,000**	**26,921,223**	**225,000,000**

*Shares held by Existing Shareholders

As part of the Company's pre-IPO fundraising activities:

- on 21 May 2018, the Company issued $3.0 million worth of secured convertible notes. These notes (each of which have a face value of $1.00) will be converted into 26,735,119 Shares on or immediately prior to the Company's listing on ASX at effective conversion price of approximately $0.112 per Share;
- on 10 October 2019, the Company agreed to accept the assignment and novation of the repayment and conversion obligations of $500,000 worth of unsecured convertible notes originally issued by Longreach on 5 May 2019. These notes (each of which have a face value of $1.00) will be converted into 3,125,000 Shares on or immediately prior to the Company's listing on ASX at a conversion price of $0.16 per Share;
- on 2 May 2019, the Company raised $2.0 million by way of a secured converting loan instrument. This instrument will be converted into 12,500,000 Shares on or immediately prior to the Company's listing on ASX at a conversion price of $0.16 per Share; and
- on 10 October 2019, the Company issued a further $750,000 worth of unsecured convertible notes. These notes (each of which have a face value of $1.00) will be converted into 4,687,500 Shares on or immediately prior to the Company's listing on ASX at a conversion price of $0.16 per Share.

It is also proposed that 17.4 million Shares will be issued by the Company to Longreach in consideration for the termination of the Share Purchase Agreement pursuant to the terms of the Deed of Termination dated 10 October 2019. These 17.4 million Shares will be issued by the Company to Longreach following receipt by the Company of ASX's written decision that it will admit the Company to the Official List (subject only to the Company's compliance with the conditions attaching to that written decision from ASX). These Shares will then be distributed in specie to Longreach's shareholders in proportion to the size of their shareholding in Longreach. This in specie distribution is expected to occur within 14 days of the Company's listing on ASX.

4.5.7 Pro forma retained earnings reconciliation

The table below details the reconciliation of the pro forma retained earnings balance of the Company as at 30 June 2019, reflecting the actual retained earnings balance at the date and reflecting the impact of the pro forma adjustments as set out in Section 4.5.4.

TABLE 4.8: NOTE 3 – RETAINED EARNINGS

	Pro Forma Historical Retained Earnings Reconciliation	
$AUD	Minimum Subscription	Full Oversubscription
Retained earnings reconciliation		
Retained earnings balance at 30 June 2019	(1,054,101)	(1,054,101)
Forex and interest expense (loan and convertible notes)	(723,280)	(723,280)
Options expense	(4,538,196)	(4,538,196)
Issue of Longreach deed termination shares	(3,480,000)	(3,480,000)
Expenses of the Offer (Income statement portion)	(792,984)	(796,213)
Pro forma retained earnings	**(10,588,561)**	**(10,591,790)**

4.6 Costs of the Offers

The costs of the Offers are estimated to be $1.513 million (Minimum Subscription) and $1.696 million (Full Oversubscription) respectively (Section 9.12), including legal, accounting, tax, listing and administrative fees, Joint Lead Manger's fees, Prospectus design and printing and other costs. These costs have been, or will be, borne by the Company from the proceeds of the Offers.

These represent the gross expenses of the Offers which are split between equity an accounted portion, being $720,000 (Minimum Subscription) and $900,000 (Full Oversubscription) and the balance of amounts that will be expensed in the income statement, as detailed within the Expenses of the Offers (Section 9.12).

TABLE 4.9: SUMMARY OF COSTS OF THE OFFERS

$AUD	Minimum Subscription	Full Oversubscription
ASIC fees	3,206	3,206
ASX fees	104,778	108,007
Broker Commissions	720,000	900,000
Legal fees	350,000	350,000
Accounting fees	35,000	35,000
Insurance	250,000	250,000
Marketing, printing and distribution	50,000	50,000
Total	**1,512,984**	**1,696,213**

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4.7 Summary of Significant Accounting Policies

4.7.1 Basis of Preparation

The historical financial statements of the Company have been prepared in accordance with the relevant provisions of the General Purpose Framework in accordance with NZIFRS RDR published by Chartered Accountant Australia and New Zealand. The Company is eligible to report under NZIFRS RDR on the basis that it does not have public accountability and is not a large for-profit public sector entity.

Critical Accounting Estimates and Judgements

In the process of applying the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily available from direct sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about areas of estimation uncertainty that have a significant risk of resulting in a material adjustment in the next year and critical adjustments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are described in the following accounting policies.

4.7.2 Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer, usually on shipment of the goods regardless of when payment is received.

4.7.3 Foreign currency

Foreign currency transactions are translated using the exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at balance date.

Any resulting foreign exchange gain and losses are recognised in the income statement.

4.7.4 Repairs and maintenance

Repairs and maintenance costs are accounted for in the period they are incurred.

4.7.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impaired losses, if any.

Where an item of property, plant and equipment is disposed of or when no further economic benefits are expected from its use; the gain or loss (calculated as the difference between net sales price and the carrying amount of the asset) is recognised in the income statement.

The asset residual values, useful lives and depreciation methods are reviewed annually and adjusted if appropriate at each financial year end.

4.7.6 Depreciation

Depreciation was provided for in the income statement on a diminishing value basis over the estimated useful life of each asset in the line with the recommended rates of the Inland Revenue Department.

4.7.7 Impairment

The carrying amounts of the Company's assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amounts are estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement. Any reversal of the impairment loss is recognised as income immediately.

4.7.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

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4.7.9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses.

4.7.10 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The amounts are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature their carrying value is assumed to approximate their fair value.

4.7.11 Income tax

The income tax expense recognised for the year includes both the current year provision and the income tax effects of timing differences, being deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current year provision is the expected tax payable on the taxable profit for the year based on tax rates enacted at balance date. Current tax for the year and prior years is recognised as a liability or asset in the statement of financial position to the extent that it is not yet paid or refunded.

Deferred tax is provided, using the liability method, for temporary difference arising between the tax bases of liabilities and their carrying amounts in the Financial Statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is provided for using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantively enacted at balance date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

4.7.12 Goods and services tax

Revenue, expenses, assets and liabilities are recognised net of GST except where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition or as part of the expense as applicable. Receivables and payables are stated inclusive of GST.

4.8 Reconciliation between NZIFRS RDR and IFRS

The Directors have performed an assessment of the variances between the application of NZIFRS RDR and IFRS in the preparation of the Company's audited financial statements for the periods ended 31 March 2017, 30 June 2018 and 30 June 2019. Following this review the Directors have not identified any material differences in the recognition and measurement nor value of assets and liabilities recognised in the pro-forma statement of financial position in Section 4.5.3, nor in the recognition or measurement of the net profit or net cash flows disclosed for the periods ended 31 March 2017, 30 June 2018 and 30 June 2019 between NZIFRS RDR or IFRS.

4.9 Funding

The funding for the Company's short to medium term activities will be generated from the IPO Offer under this Prospectus (see Section 7.1).

4.10 Dividend Policy

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to the Company's earnings, overall financial condition, capital requirements and the level of imputation credits available. There is no certainty that the Company will ever declare and pay a dividend.

4.11 Liquidity

Following Completion of the Offers, the Company's principal sources of funds will be cash in its statement of financial position. The Company expects that it will have sufficient funds available from the cash proceeds of the IPO Offer, to fulfil the purposes of the IPO Offer and conduct its Pre-Project Activities.

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SECTION 5

Risk Factors

5.1 Introduction

This Section 5 describes the potential risks associated with the Company's business including its business plans and an investment in Shares. It does not list every risk that may be associated with the Company or an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this Section 5 are partially or completely outside the control of the Company, the Directors and the management team.

The selection and order of risks has been based on an assessment by the Company of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and management team as at the Prospectus Date. There may be other risks which Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations or the valuation and performance of the Shares. The importance of different risks may change and other risks may emerge in the future.

Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and should consider whether the Shares are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the Shares, it is recommended that you seek professional guidance from your stockbroker, accountant, lawyer or other independent and qualified professional adviser before deciding whether to invest.

5.2 Risks specific to an investment in the Company

5.2.1 The Company will require additional capital to fund its growth plans

The proposed use of funds set out in Section 7.1.2 is based on the Company's best estimation of cash flow projections and estimated expenditures to carry out its stated objectives as detailed in this Prospectus.

On Completion of the Offers the Company will have sufficient working capital to achieve its Pre-Project Activities over the next 12 months. The Company however has limited financial resources and approximately 12 months after Listing, the Company intends to secure funding, currently estimated to be up to $328 million for the construction of an IMF Facility, or the funding requirements for the Other Nutritional Products Facility, and for working capital requirements during the periods of construction, commissioning and the ramp up phase of production.

The Company's ability to successfully operate is subject to its ability to raise additional capital, construct the Facility and provide working capital which will be subject to factors beyond the control of the Company and its Directors (including, without limitation, cyclical factors affecting the economy and financial and share markets generally). The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

The Company's financial position may also become highly leveraged due to reliance on commercial and other debt to finance the Facility. The Company may be subject to the risk of interest rate fluctuations, which may increase its debt servicing costs. The Company may utilise a variety of financial hedging instruments to the extent of its reliance on various source of debt financing.

Any equity financing will lead to share dilution for existing Shareholders and any debt financing, if available, may involve restrictive covenants. If the Company is unable to meet repayments, the lender may seek to foreclose on the debt.

In the future, should the Company be unable to meet its financing obligations, the Company's ability to maintain and expand its business or even continue as a going concern may be adversely impacted and the Company may be required to forego opportunities for acquisitions, joint ventures and growth strategies. The Company's liquidity position may also be further strained under negative market developments or unexpected liabilities including equipment maintenance and upgrades, this will potentially require additional injections through equity or debt financing, or other means.

5.2.2 Going concern

The funds raised in the IPO Offer will be used to carry-out specified Pre-Project Activities (refer Section 3.5.1). There is no guarantee that the construction of the Facility will commence after these Pre-Project Activities have been completed, or that the Company will continue as a going concern.

5.2.3 Dependence on strategic partners

The Company intends to enter into long-term agreements with international and domestic strategic partners.

There is a risk that long term agreements may not be able to be secured on terms acceptable to the Company within satisfactory timelines, if at all.

To the extent that long term agreements are secured, the Company will be required to fulfil its supply obligations as set out under agreed terms should the Company fail to meet, or default on its contractual obligations, the future financial performance of the Company may be adversely impacted.

The Company intends to have the involvement of a strategic partner during the design phase to participate in the determination of products, process design and quality validation, and to make a material commitment to the project through funding or a long term agreement as described above. The key to early engagement at the design stage could lead to a greater certainty of success in the commissioning phase therefore reducing the time to market.

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If a strategic partner is not secured this could lead to significant delays to the commencement of construction or inhibit the ability of the Company to raise the funding the Company requires to build the Facility additionally it may require the Company to significantly change is growth plans.

5.2.4 Construction and commissioning risk

There is a risk that the construction timeline and budget may be overrun. There may be delays in installing and commissioning the Facility. There is also a risk of that the Company's property could be damaged as a result of equipment failure, interruption to utility services or technical support required for the operation of the Facility, fire, vandalism or other unforeseen natural forces.

The Company has a developed a high level capital cost estimates to construct the Facility, which is based on inputs from various vendors and consultants in New Zealand. While the New Zealand dairy construction industry has experience in the construction of these types of plants there is a risk that the capital cost could increase due to external forces. Some of these external forces include, but are not limited to, foreign exchange, changes in regulatory and legislative requirements, insurance premiums, material costs and labour costs.

There is also a risk that design requirements from strategic customers and changes arising out of detailed design may incrementally impact the scope of the Facility and therefore cause capital cost increases and affect the future profitability of the business model.

5.2.5 Dependence on milk supply

A key component for the Company to operate the business relies on its ability to secure milk supply contracts. While the Company is in a region of New Zealand with a high concentration of dairy farms, there is a risk the Company will not be able to source the volumes of milk required, and/or at a price level that can fulfil and generate viable returns for the Company. This includes all types of milk, including A2 and organic.

Milk suppliers may also become insolvent, or default on agreed terms and obligations to the Company, which could impact the volume of milk supply.

Throughout the upstream process, there are many possibilities for contamination, ranging from farmers' handling of milk after milking the cow, to the transportation process of the milk to milk collection points.

The quality of the milk could also be affected by handling practices, particularly in terms of microbial load. Given raw milk's high sensitivity to temperature, any (cooling) equipment failure before the product reaches the Company's Facility would lead to the deterioration of the whole batch, thus potentially impacting the products produced.

The quantity and type of milk required to fulfil the product specifications may not be able to be secured by the Company due to scarcity of supply or competition for the milk.

5.2.6 Fluctuations in input prices

The Company will be exposed to movements in underlying commodity prices, and foreign currency exchange, for raw materials and ingredients required for the manufacture of its proposed products. Any increase in raw material and input costs may have a material adverse effect on the Company's operations, and therefore the financial conditions of the Company.

5.2.7 Facility Laws and regulations

The Company is required to obtain certain regulatory approvals, licenses and/or renewals to build and operate the Facility. The Company's operations are subject to Resource Consents and regulations relating to the take and use of water, discharge of materials to the environment, and treatment of waste, and contaminated and hazardous matters. There is a risk that the Company may breach the conditions of its consents or not hold all required consents for its activities.

Separate consents from landowners and local iwi will be required where the Company does not own land that is necessary to utilise the Resource Consents.

There is a requirement to amend some conditions of the land use Resource Consent (see Section 3.4) to allow for higher traffic movements and volume of milk on a daily basis. There is a risk this amendment may cause a delay in construction, additional costs or constraints on the business.

Additionally, the Company will need to obtain building permits to construct the Facility and register its proposed Facility with MPI. A key requirement for the Company will be to have a registered and verified RMP that covers the supply chain to qualify as an exporter of dairy and nutritional products. Local country approvals to permit imports into the Company's target markets will also need to be obtained (see Sections 3.7.1 and 3.7.4).

If the Company fails to comply, or a regulator claims that the Company has not complied, with any of its conditions, the Company may face serious consequences, including criminal, civil and administrative charges. In addition, the regulatory environment in which the Company operate is subject to change and any such change may also require the Company to commit significant resources and/or change planned or existing business practices. As a whole, failure to obtain or retain approvals, licenses, or renewals, thereof, in a timely manner, or at all, may adversely affect the Company's operations.

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5.2.8 Irrigation Agreement with neighbouring land owner – as required under current Waste Water Irrigation Consent

There is an outstanding irrigation agreement with a neighbouring land owner required to fullfil the obligations in accordance with the current waste water discharge Resource Consent. Refer to Section 3.4.2. Concurrently, the Company is considering other solutions which may require further WRC Resource Consents.

Separate consents from landowners will be required where the Company does not own land that is necessary to utilise the Resource Consents.

Without this irrigation agreement there is a risk the Company cannot fulfill its obligations under the current waste water Resource Consent and/or succeed in obtaining an alternative method to treat the Company's waste water.

5.2.9 Other Regulatory risks

The Company and its proposed products are subject to various laws and regulations including but not limited to accounting standards, Australian, New Zealand and international tax laws, New Zealand and international dairy processing, export and import laws and employment laws. Changes in these laws and regulations (including interpretation and enforcement) could adversely affect the Company's financial performance or condition. Laws and regulations are specific to each geographic location. In this regard, there is a risk that a certain product may not be able to be supplied in another jurisdiction because it fails to meet that jurisdiction's regulatory requirements (e.g. export requirements) or that the Company does not obtain the local country certifications or approvals it needs under its proposed timelines, or at all. If the Company fails to remain compliant with these various regulatory requirements, there is a risk that the Company's financial performance could be adversely affected.

Specifically, the Company's operations are subject to Resource Consents and regulations relating to the take and use of water, discharge of materials to the environment, the treatment of waste, and contaminated and hazardous matters. There is a risk that the Company may breach the conditions of its consents or not hold all required consents for its activities.

Changes in these laws and regulations (including interpretation and enforcement) could also adversely affect the Company's financial performance. As a whole, a failure to obtain or retain approvals, consents, licenses, or renewals, thereof, in a timely manner, or at all, may adversely affect the Company's operations either through the construction, commissioning, ramp up and full production phase.

5.2.10 Health, Safety and Environment

The Company must comply with all health and safety laws and regulations. If the Company breaches these laws and regulations, including for example where the Company is held responsible for an injury or death, the Company could be subject to significant sanctions, convictions and fines. Workplace accidents and incidents may adversely affect the Company's safety record and reputation, which may make it difficult for the Company to hire and retain employees, and to win and retain customers.

5.2.11 Product Quality and Contamination

As is the case with other dairy manufacturers, the Company may be subject to product liability claims if certain products do not meet customer specifications or are found to be unfit for human consumption due to contamination of ingredients, human or operational errors, and accidental or illegal tampering. Issues may occur at any point throughout the supply chain process (from transportation, processing and distribution to sales) due to reasons unknown to the Company or out of the Company's control. The Company can make no assurance that such incidents will not occur. Any problems with products that do not meet customer specifications and product re-calls will significantly damage the Company's reputation and operations.

5.2.12 Reliance on Key Personnel

The Company currently employs a number of key management personnel. The Company's future depends on retaining and attracting suitably qualified personnel. Indeed, the Company's future growth and financial performance depends on the ability of its Board of Directors and management to successfully execute the Company's business strategy in a timely manner and to respond to any unforeseen circumstances that could change the requirements of the Facility.

The Company has included in its employment with key personnel provisions aimed at providing incentives and assisting in the recruitment and retention of such personnel. It has also, as far as legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the Company. Despite these measures, however, there is no guarantee that the Company will be able to attract and retain suitably qualified personnel, and a failure to do so could materially and adversely affect the business, operating results and financial prospects as it may mean that the Company is unable to successfully execute its business strategy or address the challenges faced by the Company.

5.2.13 Competition

The dairy processing industry is highly competitive and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than the Company who may be able to develop or take advantage of future technology which improves efficiency or quality. There are companies that compete with the Company's efforts to commercialise its products. As a consequence, the Company's future products may become uncompetitive, resulting in adverse effects on revenue, margins and profitability.

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5.2.14 Overseas Investment Act (NZ)

Approval under the OIA is required where non-New Zealand investors acquire or increase an existing 25% or more interest in an entity valued at, or where the consideration provided, is NZ$100 million or more, or where an overseas person establishes a business where the expenditure expected to be incurred prior to commencing the business exceeds NZ$100 million.

Consent under the OIA is also required when non-New Zealand investors acquire "sensitive land" or acquire or increase an existing 25% or more interest in an entity that owns "sensitive land" (either directly or indirectly). The Company is an overseas person under the OIA and it is currently compliant under the OIA in relation to the acquisitions it has made to date. The Company will be required to obtain approval under the OIA for any future "sensitive land" acquisitions and for the establishment of the Facility. In order to obtain approval under the OIA for any "sensitive land" acquisition, amongst other things the Company will need to demonstrate that the acquisition will result in benefits to New Zealand.

5.2.15 No track record of revenue and no history as a listed entity

The Company has no track record of generating revenue and there is no guarantee that it will ever be profitable. If the Company does not achieve a track record of profitability it will be unable to pay dividends in the future and capital growth may be less likely.

The Company has a relatively short operating history and has never operated as a listed entity. It is implementing the necessary policies and procedures necessary to effectively operate as a listed entity.

Additionally, as a new entrant in the dairy space, the Company faces the challenges common to any new company in this industry including, but not limited to:

- successfully obtaining relevant domestic and international approvals, licenses, or renewals;
- successfully obtaining milk supply and strategic partners;
- building the infrastructure; and
- ability to service any volume of scale.

The development of the Company's management team and obtaining the relevant domestic and international approvals, licenses or renewals may require unexpected levels of management's attention, which could distract management from operating the business and executing its growth strategy.

5.2.16 Foreign exchange

The Company plans to operate in a variety of jurisdictions, including New Zealand and China, and as such, expects to generate revenue and incur costs and expenditures in more than one currency. The Company's payment obligations to its suppliers are in New Zealand dollars. Accordingly, payment will be made in that currency, and may exceed the budgeted expenditure if there are adverse currency fluctuations against the Australian dollar. The Company also intends to export its products and generate sales from products sold in local currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's demand for it's products. The Company has no plans at this stage to hedge its foreign currency payments.

5.2.17 Environmental Risk

Environmental contamination and associated violations, penalties, and costs are risks inherent in the dairy industry. The Company is expected to conduct its operations in accordance with regional and district planning instruments, any relevant National Policy Statements, National Environmental Standards and regulations made under the RMA, and various local environmental standards and regulations. In the event of any changes to, or violations of, local regulations, the Company could be adversely impacted and may require significant expenditure to comply with such requirements. There are also significant civil and criminal penalties for infringement of environmental controls.

The Company's business may also be adversely affected by environmental factors such as climate change (extreme weather events, shifts in weather pattern and temperatures). Such changes could disrupt the Company's future ability to obtain sufficient supplies of raw milk within a designated time period and/or at reasonable prices, which may have an adverse effect on the business and financial performance.

5.2.18 Production Risk

It is intended that the Facility will operate all year-round once it has been commissioned. It will be dependent on employees' experience and technologically advanced equipment. The Company's operations are industrial in nature requiring manual labour to repetitively keep track of the Facility's dairy processing. Additionally, it is anticipated that the majority of employees will be waged and may be represented by a union. Those employees may be covered by a collective employment agreement. As a result of being a unionised workplace, the Company could be exposed to employee strikes at its proposed Facility, which could have an adverse impact on its business, operations and financial condition.

5.2.19 Intellectual Property

While the Company is permitted to use its company name, there are trademarks registered in New Zealand, Australia and China using the words "Happy Valley". Accordingly, there is a risk that use of the words "Happy Valley" in relation to milk and milk related products will infringe trade mark laws as a result of other companies having registered those words in those jurisdictions. To the extent the Company seeks to manufacture, distribute or sell dairy products using "Happy Valley" as a brand name in various jurisdictions (including Australia), it will need to obtain the consent of the registered holders in the relevant jurisdictions in which it intends to use this brand or investigate alternative brand names and register its own trademarks in respect of these names to avoid infringing any existing trademarks. The Company does not intend to distribute products labelled with the Happy Valley brand.

5.3 General Risks

Most of the general risks discussed below are outside the control of the Company and the Directors and cannot be mitigated.

5.3.1 The Price of Shares may fluctuate

Prior to the IPO Offer there has been no public market for the Shares. The Shares will trade on ASX following Listing at a price higher or lower than the IPO Offer Price.

The price at which the Shares trade following Listing will be affected by the financial performance of the Company and by external factors unrelated to the operating performance of the Company, including movements on international share markets, the level of interest rates and exchange rates, general domestic and international economic conditions and government policies relating to taxation and other matters including interest rates and exchange rates, commodity supply and demand, government taxation and royalties, legislation, monetary and other policy changes and general investors' perceptions. Neither the Company nor its Directors have control over these factors.

5.3.2 Trading in Shares may not be liquid

There can be no guarantee that an active market in the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on ASX at any time, particularly given the level of ownership retained by Existing Shareholders. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their Shares.

5.3.3 Shareholders may be diluted

In the future, the Company may elect to issue new shares or engage in capital raisings to fund or raise proceeds for investments or balance sheet strength. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue, Shareholders may be diluted as a result of such issues of shares and capital raisings.

5.3.4 Accounting standards may change

International Financial Reporting standards are set by the International Accounting Standards Board and are outside the control of the Company. The International Accounting Standards Board may introduce new or refined International Financial Reporting standards, which may affect future measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing International Financial Reporting Standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, may differ. Changes to International Financial Reporting standards issued by the International Accounting Standards Board or changes to commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

5.3.5 Inflation rates

Higher than expected inflation rates could lead to an increased development and/or operating costs. If such increased costs cannot be offset by increased revenue, this could impact the Company's future financial performance.

5.3.6 Interest rates

The Company does not currently have any debt however, if the Company intends to borrow money in the future it will be exposed to interest rate risk, meaning any increases in interest rates would increase the costs of servicing the Company's debts.

5.3.7 Changes in laws and government policy

The regulatory environments, which apply to IMF and dairy products, particularly in China are evolving and subject to change. As part of its business model the Company will need to meet certain standards set forth by the New Zealand MPI and qualify as an exporter of dairy and nutritional products. The Company will also need to meet the local regulatory requirements of its target export markets. Changes in laws and government policies, both domestically in New Zealand and internationally particularly in China, may adversely affect the financial performance or the current and proposed operations of the Company and the attractiveness of an investment in the Company.

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5.3.8 Insurance risk

Although the Company maintains insurance, no assurance can be given that adequate insurance will continue to be available to the Company in the future on commercially acceptable terms. The Company currently holds the following insurance policies:

- Public and Products Liability;
- Directors and Officers Liability;
- Employers Liability; and
- Statutory Liability.

5.3.9 Government actions and other events

The impact of actions by domestic and international governments may affect the Company's activities, including in relation to its compliance with environmental regulations, export and taxation.

Events may occur within or outside Australia and New Zealand that could impact on the world economy, the market for dairy products, the Company's operations and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural disasters. The Company has only a limited ability to insure against some of these risks.

5.3.10 Litigation

The Company may be subject to litigation, complaints, and or other claims or disputes, regulatory inquiries or investigations and other enforcement action initiated by employees, suppliers, regulators, customers or other third parties in the course of its business. Any such claim or dispute if proven, may impact adversely on the Company's growth prospects, operating results and financial performance. The Company is not currently involved in any material contractual disputes or litigation, arbitration or government prosecution matters.

5.4 Expenditure Program

The Company has not entered into contracts for a number of the material items covered by its proposed use of funds, nor does it have binding quotations in relation to such items. Rather the Directors have determined that following the successful close of the Offers, the Company will be well positioned to negotiate the exact terms for such contracts. It is possible that actual expenditure may be more than estimated by the Company. This could, depending on the difference in actual costs, require the Company to seek to raise additional funding.

The Directors and management have relevant industry experience and have prepared the proposed use of funds table in Section 7.1.2. Based partly on discussions with or indicative quotes obtained from potential suppliers of those services and their own experience of the likely costs for those expenditure items. While the Directors are confident that the Company will be able to source suitable suppliers, there is a risk that the Company may not be able to source those suppliers at the estimated expenditure in the use of funds table.

5.5 Concluding comment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Investment in the Company must be regarded as highly speculative and neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or of the Shares, including those offered by this Prospectus, will be achieved. In the worst-case scenario, you may lose all your investment.

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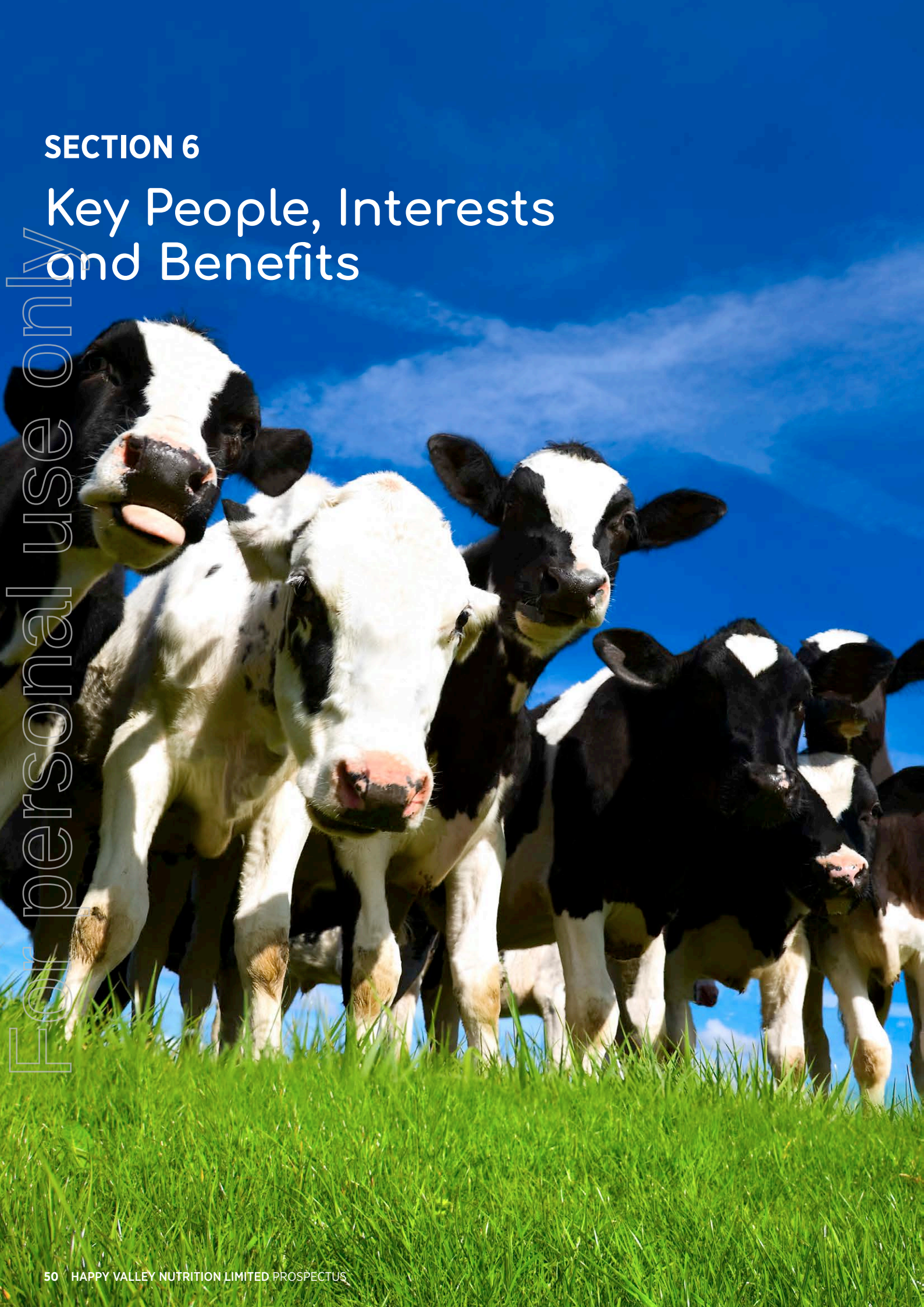
SECTION 6

Key People, Interests and Benefits



6.1 Board of Directors

The Directors of the Company bring to the Board a variety of skills and experience including industry and business knowledge, financial management, legal, corporate strategy and corporate governance experience. Profiles of each member of the Board are set out below:

TABLE 6.1: DIRECTOR EXPERTISE, EXPERIENCE AND QUALIFICATIONS

Director	Expertise, experience and qualifications
Mr Ivan Hammerschlag *Non-Executive Chairman*	Mr Hammerschlag was appointed to the Board as non-executive Chairman on 4 July 2018. He has 40 years of business and finance experience as a retail specialist. Mr Hammerschlag was also the Founder and Chairman of ASX listed RCG Corporation Limited (now called Accent Group Limited) which is a regional leader in the retail and distribution of performance and lifestyle footwear. During the period of Mr Hammerschlag's tenure, the market capitalisation of Accent Group Limited went from $12 million to $800 million. Previously, Mr Hammerschlag was the Managing Director and a shareholder of Freedom Furniture, prior to its listing on the ASX. He also co-owned Divergent Technologies, a retail software company which grew through several acquisitions before finally listing on the NASDAQ. Mr Hammerschlag also has experience in private equity as Executive Chairman, in investee companies, with RMB Capital Partners. Mr Hammerschlag is also a founding shareholder and director in Centennial Property Group, a property syndicator based in Sydney that invests across Australia. He is based in Sydney. Mr Hammerschlag holds a Bachelor of Commerce and Certificate in Theory of Accountancy, both from University of Cape Town South Africa.
Mr David McCann *Non-Executive Director*	Mr McCann is a founding shareholder and was appointed as an Executive Director of the Company on 28 April 2016. Mr McCann has 25 years' experience in managing and operating businesses and has served on both public and private company boards. From 2016 Mr McCann has been a Director of AOP Capital Limited an asset manager licensed by the Hong Kong Securities Futures Commission. Prior to this, Mr McCann was also the CEO of Orient Pacific Capital Limited, a Hong Kong based investment and advisory group. Mr McCann has several years' experience building infant milk formula brand 'A+Puro' from the ground up with operations in New Zealand, Hong Kong and China. Mr McCann is based in Hong Kong. Mr McCann holds a Bachelor of Arts (Economics and French) from the National University of Galway, a Graduate Diploma in Applied Finance from the Financial Services Institute of Australasia, is a graduate member of the Australian Institute of Company Directors and a member of the Hong Kong Securities and Investment Institute.
Mr Randolph van der Burgh *Non-Executive Director*	Mr van der Burgh is a founding shareholder and was appointed as an Executive Director of the Company and acting CFO on 8 April 2016. Mr van der Burgh is also a founding shareholder in VCFO Group and Rockburgh Fund Services and was a former partner at Ernst & Young New Zealand and Australia. Mr van der Burgh is both an investor in a range of businesses and an international tax, corporate finance and strategy adviser to a range of clients in the New Zealand private equity, venture capital, funds management, real estate, agriculture and dairy sectors. He has several years' experience building an IMF brand "A+ Puro" from the ground up with operations in New Zealand, Hong Kong and China. He has a strong network of contacts in the dairy industry in New Zealand and a deep understanding of the opportunities that exist outside New Zealand. Mr van der Burgh remains a shareholder in Pure Elite Holdings Limited and a director in PEH New Zealand Limited and Ever Health New Zealand Limited. Mr van der Burgh is based in Auckland, New Zealand. Mr van der Burgh holds a Bachelor of Commerce and Administration Honours (first class) from Victoria University of Wellington. He is a Chartered Accountant, Chartered Accountants Australia New Zealand and holds a Public Practicing Certificate. Mr van der Burgh is also a member of the New Zealand Institute of Directors.

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Director	Expertise, experience and qualifications
Mr Anthony Kahn *Independent Non-Executive Director*	Mr Kahn will be appointed to the board as an independent non-executive director on Listing. Mr Kahn has been involved in finance and business for over 30 years. Previously, Mr Kahn worked for Macquarie Bank Group for 18 years, including as an executive director for 10 years. He was head of the Infrastructure Funds group for 6 years where equity under management grew from $500 million to $12 billion during that period. Mr Kahn was MD of the ASX listed Macquarie Infrastructure Group (**MIG**) from 1998-2003. During that period MIG was a top 30 ASX company. Mr Kahn was also a director of the ASX listed trusts of Transurban, Hills Motorway and Macquarie Communications. He was also a director and chairman (for a number of years) of Duncan Solutions Limited an unlisted public company from 2004 to 2016. He was also a director of Adelaide Airport during the early 2000's. Mr Kahn has over the past 8 years consulted to governments, councils, investment banks, large and small public companies regarding infrastructure projects and privatisations. Mr Kahn is based in Sydney. Mr Kahn holds a Bachelor of Commerce and Bachelor of Accountancy (both from WITS), Diploma Securities Institute of Australia, and is a Chartered Accountant, Chartered Accountants Australia New Zealand.

6.2 Directors' Disclosure

Each Director above has confirmed to the Company that they anticipate being able to perform their duties as a Director without constraint from other commitments. No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia, New Zealand or elsewhere.

Randolph van der Burgh was a Director of Fat Dog Slim Pty Ltd, an Australian company which entered into a form of external administration in 2012 as a result of insolvency. Two of the directors of the Company, Mr David McCann and Mr Randolph van der Burgh, have recently been involved in a dispute which was the subject of a High Court of New Zealand judgment. The dispute related to a failed 2014 incorporated joint venture between certain companies associated with Messrs McCann and van der Burgh (and others) (such companies, together **the Plaintiffs**), who instigated the proceedings against another New Zealand company and its directors (together **the Defendants**) following the unilateral termination of the joint-venture by the Defendants, including the unilateral transfer of shares and removal of directors. The Defendants defended the lawsuit and, as a defence strategy, cross claimed against the Plaintiffs (and two of the directors of the Plaintiffs, being Mr van der Burgh and another person unrelated to the Company). In relation to the substantial issues in dispute, the judge in the proceedings held in favour of Defendants and dismissed the lawsuit. In relation to the Defendants' cross claim defence strategy, the Court also found that Mr van der Burgh and the other Plaintiff director made misleading representations contrary to New Zealand's Fair Trading Act in the course of dealings between the joint-venture parties, although there was no finding that the misleading representations were intentional, and accordingly no damages flowed from these misrepresentations. The Plaintiffs have filed an appeal with the New Zealand Court of Appeal on all matters of the judgment, including the findings of facts relating to the conduct of Mr van der Burgh and the other Plaintiff director. The appeal has yet to be heard.

No other Director has been an officer of a company that has entered into any form of external administration in the past 10 years as a result of insolvency during the time that they were an officer of within a 12 month period after they ceased to be an officer.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

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6.3 Senior Management

The following table provides information regarding the senior management team of the Company, including their positions and expertise.

TABLE 6.2: SENIOR MANAGEMENT EXPERTISE, EXPERIENCE AND QUALIFICATIONS

Director	Expertise, experience and qualifications
Mr Greg Wood *General Manager New Zealand*	Mr Wood joined the Company from Beca Limited where he was a Senior Principal and Business Director responsible for its New Zealand and Australia dairy business. Prior to this he was a Senior Project Manager for Fonterra's Major Capital Projects group, with previous experience with a global dairy equipment supplier in dairy materials handling. Mr Wood has 20 years' experience in the dairy and technology sectors, having led diverse operational and project teams. Mr Wood has had leadership and oversight roles for Greenfield and Brownfield dairy capital projects across New Zealand and Australia. The scope of some of these projects include: • Nutritional milk powder (IMF Stage 1, 2 and 3) manufacture using GMP standards; • Commodity milk powder manufacturing plants (SMP and WMP); • Consumer ready packaging plants (dry-blending, canning and sachet); • Dairy product distribution centres (including rail distribution); • Commercialisation of new technologies (materials handling); and • Servicing infrastructure (utilities). Mr Wood holds a Bachelor of Manufacturing Systems Engineering from the Royal Melbourne Institute of Technology, and a Masters of Business Administration from the University of Auckland. Mr Wood is responsible for building the Company's C-suite and led management team to execute the Company's growth strategy. Mr Wood is based in Auckland, New Zealand.
Mr Grant Horan *Project Manager New Zealand*	Mr Horan is passionate about growing the nutritional dairy business in this region. Mr Horan is an accomplished executive with domestic and international experience in operations, profit and loss oversight, and multi-channel product distribution, experienced in start-up and growth organisation and acquisitions. Mr Horan has travelled significantly around the Asia/Pacific Region and has been a key contributor for both corporate and smaller business in the Dairy, Food and Beverage sectors. Mr Horan is based in Hamilton, New Zealand.
Mr Zach Mounsey *Corporate Development Manager New Zealand*	Born and raised in the heart of Otorohanga, New Zealand, Mr Mounsey has significant experience in agri-business strategy management finance, economics and leadership. Mr Mounsey's role is to commercially establish the Company within the Otorohanga, Waitomo and Waipa dairy farm services community. Mr Mounsey has specific responsibility for selecting and managing the Company's farmer suppliers, overseeing farm management policies and practices, and ensuring the Company's quality standards are adhered to. Mr Mounsey also partly owns a dairy farm in Otorohanga via a 50:50 share milking arrangement and holds leadership and representative appointments with a number of other entities and organisations throughout the primary sector. Mr Mounsey is based in Otorohanga.

6.4 Interests and Benefits

This Section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offers. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter of the Offers or financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion; or
- the Offers,

and no other amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers or to any Director or proposed Director to induce them to become, or qualify as, a Director.

6.4.1 Executive Remuneration

6.4.1.1 Overview

The Company's philosophy on remuneration is that executive and key employee remuneration should be aligned with Shareholder interests by providing levels of fixed remuneration and "at risk" pay sufficient to attract and retain individuals with the skills and experience required to build on and execute the Company's business strategy. It aims to achieve this by ensuring "at risk" remuneration is contingent on outcomes that grow and/or protect Shareholder value by aligning the interests of executives and Shareholders by ensuring a suitable proportion of remuneration is received as a share-based payment.

To ensure that the Company continues to attract, retain and motivate talented staff at a competitive cost, the Company will aim to align total fixed remuneration to the median rate of the relevant market, with consideration given to experience, qualifications, performance and other non-financial benefits.

The Remuneration and Nomination Committee recommends to the Board the remuneration packages for the executive team. It is intended that these will be reviewed annually. The Remuneration and Nomination Committee may seek external advice to determine the appropriate level and structure of the remuneration packages.

6.4.1.2 Summaries of Key Terms of Employment

TABLE 6.3: SUMMARY OF KEY TERMS OF EMPLOYMENT FOR KEY EXECUTIVES

Name and role	Remuneration	Incentives	Termination	Restraints
Greg Wood General Manager	NZ$350,000	NZ$50,000 sign on bonus Discretionary bonus up to 15% Entitled to participate in ESOP if one available Redundancy compensation	3 months	6 months non-compete 12 months non-solicit
Zach Mounsey Corporate Development Manager	NZ$150,000	Monthly travel allowance Professional fees Discretionary bonus	4 weeks	6 months non-solicit
Grant Horan* Project Manager	NZ$10,000 per month		Rolling month by month	

* Grant Horan is currently engaged for the provision of project management services to the Company on a month to month basis. It is expected that Mr Horan will become an employee of the Company post Listing.

6.4.2 Non-Executive Directors Remuneration and Benefits

6.4.2.1 Remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Director. However, under the Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors for their services as Directors must not exceed in any financial year the aggregate amount approved by Shareholders at the Company's general meeting. This amount has initially been fixed at $750,000 per annum.

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6.4.2.2 Director Services Agreements

Each Director has entered into a Director Services Agreement through an associated entity. The key terms of those agreements are set out in Table 6.4 below.

TABLE 6.4: SUMMARY OF KEY TERMS OF DIRECTORS' SERVICES AGREEMENTS

Parties	Role	Remuneration	Limitation of Liability
Ivan Hammerschlag Honeystone Pty Limited (**HPL**) and the Company	Non-Executive Chairman	A$120,000 base director/chairman fees. Compensation for services agreed at each listing.	Liability of HPL and any director of HPL limited to the lesser of NZ$250,000 and the fees HPL has charged and been paid for the services, subject to the Companies Act.
David McCann Olwyn Ventures Limited and the Company	Non-Executive Director	A$80,000 base director fees. A$120,000 additional base fees to reflect the non director services they provide (see below).	Liability of OVL and any director of OVL limited to the lesser of NZ$250,000 and the fees OVL has charged and been paid for the services, subject to the Companies Act.
Randolph van der Burgh VCFO Group Limited and the Company	Non-Executive Director	A$80,000 base director fees. A$120,000 additional base fees to reflect the non director services they provide (see below).	Liability of VCFO and any director of VCFO limited to the lesser of NZ$250,000 and the fees VCFO has charged and been paid for the services, subject to the Companies Act.
Anthony Kahn Partnership Investors Pty Limited and the Company	Independent Non-Executive Director	A$80,000 base director fees. Success Listing fee A$20,000.	Liability of PIPL and any director of PIPL limited to the lesser of NZ$250,000 and the fees PIPL has charged and been paid for the services, subject to the Companies Act.

Note the limitation of liability in the Director Services Agreements is subject to limits in the Companies Act and does not excuse directors from liability for a breach of their directors' duties in that Act. Additionally, the Directors may be personally liable under the Corporations Act irrespective of any contractual limit.

Post Listing David McCann and Randolph van der Burgh have agreed to continue to provide non-director services to the Company for which they are paid additional fees as follows:

- David McCann will work with the General Manager on behalf of the Board in recruiting C suite and other staff, securing strategic partners, both IMF and ingredients, so that the Facility can commence production, work with stockbrokers and investor relations in organising roadshows and other capital market activities for the General Manager and CFO (once appointed) to attend, work with management on the business plans to secure finance for the Company and work on behalf of the Board to secure a strategic partner/investor for the Company.
- Randolph van der Burgh will work with the General Manager and CFO (once appointed) on behalf of the Board on all financial and tax matters, securing land, arranging project consents and permits, recruiting personnel, preparing and/or securing construction contracts and other key contracts, work with the General Manager in securing strategic partners, both IMF and ingredients, so that the Facility can be built and ultimately commence production, work with management on the business plans to secure finance for the Company, and work on behalf of the Board to secure a strategic partner/investor for the Company.

It is expected that the need for the Directors to provide these services will reduce over time once additional senior managers are appointed to their roles in the Company.

The Directors will not receive additional fees for being a member of a Board Committee. The remuneration of Directors must not include a commission on, or a percentage of, profits or operating revenue.

6.4.2.3 Deeds of indemnity, insurance and access for Directors

The Company has entered into a deed of indemnity, access and insurance with each Director which confirms each Director's right of access to books and records of the Company and its related bodies corporate while they are a Director and for a period of 10 years after the Director ceases to hold office or the date that any relevant proceedings commenced in that 10 year period after the Director ceases to hold office have been finally resolved.

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The deeds of indemnity, access and insurance also require the Company to indemnify the Director as a continuing obligation including for a period of seven years after the Director ceases to hold office or the date any relevant proceedings commenced during that period of seven years have been finally resolved in respect of:

- any costs incurred in successfully defending any proceeding (whether criminal or civil) that relates to alleged liability for any act or omission in their capacity as a Director (covering claims alleging liabilities to the Company and claims alleging liability to third parties); and
- any liability actually found to exist, and any costs incurred in defending or settling any claim by any person other than the company or a related company provided that the liability in question is not criminal nature and does not involve a breach of duty of good faith.

Under the deeds of indemnity, access and insurance, the Company must maintain an insurance policy insuring a Director against liability as a Director of the Company and its related bodies corporate (except for criminal liability or where the liability involves a breach of a duty of good faith) as a continuing obligation including for a period of seven years after the Director ceases to hold office.

6.4.2.4 Expense Reimbursement and Other Remuneration Arrangements

The Directors are entitled to be paid all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of Board committees. Such amounts will not form part of the aggregate remuneration for the Non-Executive Directors.

Any Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company. Any amount paid will not form part of the aggregate remuneration for Non-Executive Directors.

There is no retirement benefit scheme for Directors.

6.4.3 Directors' Interest in Shares and Other Securities

Directors are not required under the Constitution to hold any Shares. The Directors (and their associates) are entitled to apply for Shares under the IPO Offer. Details of the interests of the Directors (either directly or through beneficial interests or entities associated with the Director), and their holdings of Company securities at relevant times are set out in Table 6.5 below. Table 6.5 does not take into account any Shares the Directors may acquire under the IPO Offer. Final Director shareholdings will be notified to ASX following Listing. Section 9.7 sets out the proportion of Shares and Options held by the Directors that are expected to be classified as restricted securities and which are subject to mandatory restriction deeds.

TABLE 6.5: DIRECTORS' PROPOSED SHAREHOLDINGS ON COMPLETION OF THE OFFERS

	Shares held at the Prospectus Date Prior to Completion of the Offers		Shares held at the Completion of the Offers (Minimum Subscription)		Shares held at the Completion of the Offers (Full Oversubscription)		Options held at Completion of the Offers
Director	Number	%	Number	%	Number	%	Number
Ivan Hammerschlag	–	–	5,347,024	2.5%	5,347,024	2.4%	28,125,000
David McCann	8,555,238	10.0%	8,778,031	4.2%	8,778,031	3.9%	16,831,791
Randolph van der Burgh	9,410,762	11.0%	9,633,555	4.6%	9,633,555	4.3%	16,831,791
Anthony Kahn	–	–	625,000	0.3%	625,000	0.3%	5,000,000
Total	**17,966,000**	**21.0%**	**24,838,609**	**11.6%**	**24,383,609**	**10.8%**	**66,788,582**

6.4.3.1 Related Party Arrangements

In addition to the Director Services Agreements noted in Section 6.4.2.2, the Company has the following arrangements with related parties of the Company:

- Accounting and Taxation Services Agreement with VCFO for the provision of various financial, taxation and project related services. Randolph van der Burgh is a shareholder of VCFO and a director of the Company for the following fees:
  - fixed monthly fee of NZ$1,250 plus GST for accounting and taxation services;
  - fixed monthly fee of NZ$3,250 plus GST for project modelling and valuation services; and
  - hourly fees for additional services on a time engaged basis.
- Exclusive Work Desk Agreement with VCFO for the provision of office facilities. Randolph van der Burgh is a shareholder of VCFO and director of the Company pursuant to these arrangements VCFO is entitled to the following fees:
  - occupancy fee per desk NZ$7,200 plus GST for 6 months;
  - car parking fee per car park NZ$2,880 plus GST for 6 months; and
  - additional services such as photocopying charged per use.

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6.4.4 Interests of advisers

The Company has engaged the following professional advisers in relation to the Offers:

TABLE 6.6: ADVISOR INTERESTS IN THE OFFERS

Advisor	Role	Fee (Exclusive of Taxes and Disbursements)
Bell Potter Securities Limited	Joint Lead Manager to the IPO Offer	See Section 9.4.1
Shaw and Partners Limited	Joint Lead Manager to the IPO Offer	See Section 9.4.1
K&L Gates LLP	Australian legal adviser to the Company in relation to the Offers	$200,000
DLA Piper	New Zealand legal adviser	$150,000
HLB Mann Judd	Investigating Accountant to the Company in relation to the Offers and has prepared the Investigating Accountant's Report in Section 8	$26,500
HLB Mann Judd	Australian taxation adviser to the Company	$4,000
VCFO Group Limited	New Zealand taxation adviser to the Company	$4,000

6.5 Corporate governance

This Section 6.5 summarises the key corporate governance charters, policies and practices adopted by the Company and outlines how the Board will oversee the management of the Company's business. The Board is responsible for the overall corporate governance of the Company. It is accountable to the Company's members as a whole and must act in the best interests of the Company.

Details of the Company's corporate governance policies and charters, which will take effect from Listing, are set out below in this Section 6.5.

The Company's key governance policies and the charters for the Board and each of its committees are available on the Company's website at www.hvn.co.nz.

6.5.1 ASX corporate governance principles

The Company is seeking a listing on ASX. The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations 4th edition (**ASX Recommendations**) for ASX listed entities in order to promote good governance, investor confidence and to assist companies to meet stakeholder expectations.

The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report or on its website, disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. To the extent applicable, the Company has adopted the ASX Recommendations from the date of Listing, with the following exceptions:

ASX Recommendation 1.5 provides that a listed entity should have a Diversity Policy, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally, and then make disclosures reporting against these objectives in relation to each reporting period. The Company has adopted a diversity policy, however at the time of Listing will not have agreed to establish measureable objectives for achieving gender diversity. Accordingly, ASX Recommendation 1.5 will not be followed at Listing. The Board will consider this further at the appropriate time.

ASX Recommendations 2.1 and 8.1, which provide that a listed entity should have a nomination committee and a remuneration committee, respectively comprising at least three members, a majority of whom are independent, and be chaired by an independent director. The Company's Remuneration and Nomination Committee comprises only two Directors, both of whom are independent. The Board considers that this is appropriate given the other Directors are both executive. The Board further considers that two non-executive independent directors will be sufficient to each bring the desired mix of skills and effectively assist the Board in matters relating to remuneration and succession planning, by bringing objective and independent judgment to the Remuneration and Nomination Committee. Accordingly, ASX Recommendations 2.1 and 8.1 will not be followed at Listing.

ASX Recommendation 2.4 provides that a majority of the board of a listed entity should be independent directors. On Listing, there will be four directors, two of whom are independent – Mr Ivan Hammerschlag and Mr Anthony Kahn. Accordingly, ASX Recommendation 2.4 will not be followed on Listing.

ASX Recommendations 3.3 and 3.4 provides that a listed entity should have a whistleblower policy (ASX Recommendation 3.3) and an anti-bribery and corruption policy (ASX Recommendation 3.4). The Company does not yet have these policies in place, however has included Sections on both of these within its Code of Conduct. Accordingly, ASX Recommendations 3.3 and 3.4 will not be followed on Listing. The Board considers that this is appropriate given the current size of the business operations.

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ASX Recommendations 4.1 and 7.1 provides that a listed entity should have an audit committee (ASX Recommendation 4.1) and a risk committee (ASX Recommendation 7.1) comprising at least three members, all of whom are non-executive for the audit committee, a majority of whom are non-executive for the risk committee, and a majority of whom are independent. Further, these recommendations provide that these committees should be chaired by an independent director. The Company's audit and risk management committee comprise one-executive director, Mr Randolph van der Burgh who is also chair of the committee, and Mr Greg Wood who is a General Manager of the Company. The Board considers this to be appropriate at this stage of the Company's development and given the current composition of the board. Each of these members of the committee have the desired mix of skills to perform the function required by the committee, given their knowledge of the operations of the business. Accordingly, Recommendations 4.1 and 7.1 will not be followed on Listing.

Where the Company is unable to immediately comply with an ASX Recommendation from the time of Listing by virtue of it not having been subject to the ASX Recommendations prior to the Listing Date (for example, where the Company should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor), the Company intends to take actions to achieve compliance with those ASX Recommendations by the date of its annual report for FY20.

6.5.2 Board of Directors

The Board will, from Listing, comprise four Directors, being Ivan Hammerschlag, independent Non-Executive Chairman, Anthony Kahn proposed independent Non-Executive Director and Non-Executive Directors Randolph van der Burgh and David McCann.
Detailed biographies of the Directors are provided in Section 6.1. All Directors will hold Shares following Completion of the Offers.
The Board considers an independent Director to be a Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with, the Director's ability to act in the best interests of the Company. The Board reviews the independence of each Director in light of information disclosed by each Director to the Board on an annual basis, against the criteria outlined in Box 2.3 of the ASX Recommendations.

The Board considers that each of Mr Hammerschlag and Mr Kahn is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the Director's ability to act in the best interests of the Company; and is able to fulfil the role of an independent Director for the purposes of the ASX Recommendations.

6.5.3 Board charter

The Board has adopted a Board charter, which sets out the roles and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, the framework for the operation of the Board as well as the membership of the Board.

The Board charter outlines the role of the board, that is, to demonstrate leadership, define the Company's purpose, establish strategic objectives, approve the Company's statement of values and code of conduct and the oversight of management for the Company. The Board charter, among other things, sets out the responsibilities of the Board in relation to the following areas:

- strategy;
- oversight of management;
- engagement with shareholders;
- relationships with stakeholders;
- ethics and responsible decision-making;
- oversight of financial management and capital management;
- compliance and risk management; and
- disclosure and communication.

6.5.4 Board committees

The Board may from time to time establish committees to assist it discharge its responsibilities. The Board has established the following standing committees of the Board:

- Audit and Risk Management Committee; and
- Remuneration and Nomination Committee.

Other committees may be established as required to deal with specific issues.

Directors are entitled to attend Board Committee meetings and receive Board Committee papers. The Chair of each Board Committee will report back to the Board on committee deliberations.

Each of the above standing committees operate in accordance with a charter adopted for each committee by the Board.

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6.5.5 Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are Mr Randolph van der Burgh (Chairman) and Mr Greg Wood.

The role of the Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

a. the integrity of the Company's corporate reporting processes and financial statements, and the integrity and effectiveness of the internal control environment of the Company;
b. accounting and tax and related policies;
c. the appointment, remuneration, independence and competence of the Company's external auditors;
d. the performance of the external audit function and review of their audits;
e. the effectiveness of the Company's system of risk management and internal controls; and
f. the Company's systems and procedures for compliance with applicable legal and regulatory requirement.

6.5.6 Remuneration and Nomination Committee

The members of the Remuneration and Nomination Committee are Mr Ivan Hammerschlag (Chairman) and Mr Anthony Kahn.

The role of the Remuneration and Nomination Committee is as follows:

Remuneration

The Committee assists and advises the Board on remuneration policies and practices for the Board, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Company Secretary, senior executives and other persons whose activities, individually or collectively affect the financial soundness of the Company. The policies and practices are designed to:

a. enable the Company to attract, retain and motivate directors, executives and employees who will create value for Shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
b. be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee; and
c. comply with all relevant legal requirements.

Nomination

The Committee assists and advises the Board on:

a. Board succession planning generally;
b. induction and continuing professional development programs for directors;
c. the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
d. the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
e. the appointment and re-election of directors; and
f. ensuring there are plans in place to manage the succession of the CEO and other senior executives, to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

6.6 Corporate governance policies

The Board has adopted the following corporate governance policies, each having been prepared with regard to the ASX Recommendations. These are available on the Company's website www.hvn.co.nz.

6.6.1 Disclosure and Communication Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is committed to observing its disclosure obligations.

The Company has adopted a Disclosure and Communication Policy to take effect from Listing which establishes procedures which are aimed at ensuring that Directors (among others) are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. The Disclosure and Communication Policy also provides detail around communicating with shareholders, communication with analysts and brokers, dealing with media enquiries and establishes 'blackout periods'.

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6.6.2 Security Trading Policy

The Company has adopted a Security Trading Policy which summarises the law relating to insider trading and sets out the Company's policy on the buying and selling of the Company's securities.

The Security Trading Policy applies to all Directors, officers, other key management personnel of the Company and any other persons designated by the Board from time to time (all Designated Persons). The Security Trading Policy sets out restrictions that apply to dealing with Company's securities, including the establishment of prohibited periods, during which Designated Persons are not permitted to deal in Company's securities (except in exceptional circumstances) and a notification procedure which applies to Designated Persons in other periods.

6.6.3 Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of our business and people, taking into account the Company's legal and other obligations to its stakeholders. The code applies to all directors of the Board, as well as all officers, employees, contractors, consultants, other persons that act on behalf of the Company, and associates of the Company.

6.6.4 Diversity policy

The Company has adopted a diversity policy, which sets out its commitment to diversity and inclusion in the workplace and provides a framework to achieve the Company's diversity goals. The Company is committed to creating and ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company. The Board and management believe that the Company's commitment to this policy contributes to achieving corporate objectives and embeds the importance and values of diversity within the culture of the Company.

The Board has delegated to the Remuneration and Nomination Committee the role of overseeing the implementation of this policy and assessing progress in achieving its objectives.

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SECTION 7

Details of the Offers

7.1 Description of the Offers

This Prospectus relates to the initial public offer of 60 million new Shares by the Company at the IPO Offer Price of $0.20 per Share to raise $12.0 million (before costs and expenses) under the Minimum Subscription with the ability to accept up to a further $3 million (before costs and expenses) under a Full Oversubscription (**IPO Offer**). The Shares offered under the IPO Offer will represent 28.6% of the Shares on issue on Completion of the Offers under the Minimum Subscription and 33.3% under the Full Oversubscription. The "free float" (for the purposes of ASX Listing Rule 1.1) will be approximately 83.3% of the Shares on issue at Listing under the Minimum Subscription and 82.1% under the Full Oversubscription.

Additionally, a Pre-IPO Funding Offer will be made which is open only to the holders of Convertible Notes, Longreach Convertible Notes and parties to the Converting Loan as well as Longreach pursuant to the Termination Deed (**Pre-IPO Funding Offer**). The new Shares issued to Longreach are in consideration for the termination of the Share Purchase Agreement pursuant to the Deed of Termination dated 10 October 2019 and will be distributed in specie to Longreach's shareholders proportionate to their holding in Longreach. These Offers are being made to enable the new Shares to be issued to each Applicant under the Pre-IPO Funding Offer to be eligible to be on sold on ASX after the Company's Listing. As such no new funds will be raised by the Company pursuant to the Pre-IPO Funding Offer.

The total number of Shares on issue at Completion of the Offers will be 210 million under the Minimum Subscription and 225 million under Full Oversubscription. The Shares will be fully paid ordinary shares and will, once issued, rank equally with the Shares on issue as at the Prospectus Date. A summary of the rights attaching to Shares is set out in Section 9.5.

The Offers are made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the IPO Offer

The IPO Offer comprises:

- the Retail Offer, consisting of:
  - the Broker Firm Offer, open to Australian resident retail clients of Brokers who have received an invitation from their Broker (see Section 7.3);
  - the Priority Offer, open to selected investors who have received a Priority Offer Invitation (see Section 7.4); and
  - the General Offer, open to Applicants with a registered address in Australia and New Zealand (see Section 7.5); and
- the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors in Australia and in certain other eligible jurisdictions (see Section 7.7).

7.1.2 Purpose of the IPO Offer and Use of Proceeds

The purpose of the IPO Offer is to:

- provide the Company access to capital markets which it expects will provide additional financial flexibility to pursue its growth strategy;
- achieve a listing on ASX to broaden the Company's shareholder base and provide a liquid market for its Shares;
- assist the Company in attracting and retaining high quality staff; and
- pay the costs of the Offers.

The sources and uses of the funds raised under the IPO Offer are set out in Table 7.1 below.

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TABLE 7.1: SOURCES AND USES OF IPO OFFER PROCEEDS

	Minimum Subscription ($12 million)	Full Oversubscription ($15 million)
Cash balance as at 31 October 2019	1.2m	1.2m
IPO proceeds	12.0m	15.0m
Total funds	**13.2m**	**16.2m**
Site preparation	0.7m	3.4m
Finalise basis of design and construction planning	2.9m	2.9m
Employee Salaries, recruitment costs	2.0m	2.0m
Director Fees (for 5 Directors)	0.6m	0.6m
Consultants and Marketing (relating to site preparation and design and securing a strategic partner)	0.3m	0.3m
Overheads (including operational insurance, legal, landlord, travel, IT)	1.0m	1.1m
Licences (relating to the Company's Overseas Investment Office submission and Water licence and consents)	0.7m	0.7m
Working Capital	1.2m	1.2m
Costs of the Offers	1.5m	1.7m
Land Costs	2.3m	2.3m
Total Uses	**13.2m**	**16.2m**

Table 7.1 above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to vary these uses of funds, acting in the best interest of Shareholders and as circumstances require.

7.1.3 Potential effect of the Offers on the future of the Company

The Directors believe that following Completion of the Offers, the Company will have sufficient working capital for the next 12 months to fulfil the purposes of the Offers and carry out its stated business objectives being its Pre-Project Activities. Approximately 12 months after Listing, the Company intends to secure funding, currently estimated to be $328 million for the construction of the Facility, and for working capital requirements during the periods of construction, commissioning and the ramp up phase of production.

7.1.4 Shareholding Structure

The details of the ownership of Shares as at the Prospectus Date and on Completion of the Offers are set out in Table 7.2 below.

TABLE 7.2: DETAILS OF THE OWNERSHIP OF SHARES

	Shares held at the Prospectus Date		Shares held on Completion of the Offers (Minimum Subscription)		Shares held on Completion of the Offers (Full Oversubscription)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Existing Shareholders and parties under the Pre-IPO Funding Offer (excluding Directors)	67,586,381	79.0%	125,616,391	59.8%	125,616,391	55.8%
Directors	17,966,000	21.0%	24,383,609	11.6%	24,383,609	10.9%
New Shareholders	–	–	60,000,000	28.6%	75,000,000	33.3%
Total	**85,552,381**	**100.0%**	**210,000,000**	**100.0%**	**225,000,000**	**100.0%**

The Company also has 66,758,582 Options on issue, see Section 9.3.2 for further details.

7.1.5 Control Implications of the Offers

The Directors do not expect that any single Shareholder will control the Company on Completion of the Offers under the Minimum Subscription or if the Full Oversubscription is achieved.

However, the following shareholders (included within the "Existing Shareholders" description in Table 7.2 above) will be substantial holders (being those parties with relevant interests in more than 5% of the Company's Shares) on Completion of the Offers:

- Rockburgh Nominees Ltd (as trustee for the van der Poel Family Trust) which will hold an interest of 9.17% under the Minimum Subscription and an interest of 8.56% if the Full Oversubscription is achieved; and
- Rockburgh Nominees Ltd (as trustee for the Arwon Asia Pacific Focus Fund) which will hold an interest of 6.11% under the Minimum Subscription and an interest of 5.70% if the Full Oversubscription is achieved.

7.2 Terms and Conditions of the Offers

Topic	Summary
What is the type of security being offered?	New Shares (being fully paid ordinary shares in the capital of the Company).
What are the rights and liabilities attached to the Shares being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 9.5.
What is the consideration payable for each Share being offered under the IPO Offer?	The IPO Offer Price is $0.20 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in the key dates on page 3 of this Prospectus. No Shares will be issued on the basis of this Prospectus later than the Expiry Date. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company, in consultation with the Joint Lead Managers reserves the right to amend any or all of the dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws, including closing the Offers early, extending the Offers, deferring the date of Completion of the Offers, accepting late Applications either generally or in particular cases, allotting Shares at different times to investors, or to withdraw the Offers, without prior notice.
What are the cash proceeds to be raised under the IPO Offer?	$12 million will be raised from New Shareholders under the Minimum Subscription with the ability to accept a further $3 million under a Full Oversubscription, if the IPO Offer proceeds.
What is the minimum Application size under the IPO Offer?	The minimum Application size under the: • Broker Firm Offer is $2,000 (equivalent to 10,000 Shares in aggregate). There is no maximum Application size under the Broker Firm Offer, however the Company and the Joint Lead Managers reserve the right to reject any Application or to allocate to an Applicant a lesser number of Shares than that applied for; • Priority Offer is $2,000 (equivalent to 10,000 Shares in aggregate). Priority Offer Applicants may apply for up to the value of Shares indicated in their Priority Offer invitation made under this Prospectus; and • General Offer is $2,000 (equivalent to 10,000 Shares in aggregate). For more information, see Sections 7.3.2, 7.4.3 and 7.5.3.
What is the allocation policy under the IPO Offer?	The allocation of Shares between the Broker Firm Offer, the Priority Offer, the General Offer and the Institutional Offer will be determined by the Joint Lead Managers and the Company having regard to the allocation policies outlined in Sections 7.3.4, 7.4.5, 7.5.5 and 7.7.2. With respect to the Broker Firm Offer, it will be a matter for Brokers as to who they allocate Shares. The final allocation of Shares under the Priority Offer will be at the absolute discretion of the Company, subject to the guaranteed minimum allocation for Applicants under the Priority Offer.
When will Applicants receive confirmation whether Applications are successful?	It is expected that holding statements will be despatched by standard post on or about 13 December 2019.

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Topic	Summary
Will the Shares be listed?	The Company will apply to ASX within seven days of the Prospectus Date, for its admission to the Official List, and quotation of Shares on, ASX under the code "HVM". Completion of the Offers is conditional on ASX approving the application and granting permission for the Shares to be quoted on ASX on terms acceptable to the Company. If this approval and permission is not given within three months of the Prospectus Date (or any longer period permitted by law), the Offers will be withdrawn and all monies received from Applicants will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
Are the Offers subject to any other conditions?	Yes. The Minimum Subscription condition under the Offers is $12 million (before the costs of the Offers). If the Minimum Subscription condition it not reached the Company will not proceed with the Offers and will repay all Application Monies received under the IPO Offer without interest.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 20 December 2019. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive a statement of holding do so at their own risk. The Company and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Company Offer Information Line, by a Broker or otherwise.
Is the IPO Offer underwritten?	No, the IPO Offer is not underwritten.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.7.
Have any ASX waivers been obtained or been relied on?	Yes. Details are provided in Section 9.8.
Are there any tax considerations?	Yes. Refer to Section 9.10.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offers. See Section 9.4.1 for details of various fees payable by the Company to the Joint Lead Managers.
Can the Offers be withdrawn?	The Company reserves the right not to proceed with the Offers at any time before the issue of Shares to successful Applicants. If the Offers does not proceed, Application Monies will be refunded (without interest).
Where to direct any enquiries	All enquiries in relation to this Prospectus should be directed to the Company Information Line on 1800 131 904 from 8.30am to 5.30pm (Sydney time), Monday to Friday (excluding public holidays). All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should consult with your stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

7.3. Broker Firm Offer

7.3.1 Who can apply?

The Broker Firm Offer is open to clients of participating Brokers who have a registered address in Australia and who received an invitation from a Broker to acquire Shares under this Prospectus. Investors who have been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation.

You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

The Broker Firm Offer is not a general public offer and is not open to persons in the United States.

7.3.2 How to apply

Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus or any replacement or supplementary prospectus. Applicants must complete and lodge their Broker Firm Offer Application Form with the Broker from whom they received their invitation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by the Broker and the instructions set out on the Broker Firm Offer Application Form.

Applicants should contact their Broker about the minimum and maximum Application amount. The Company and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

Applicants must lodge their Broker Firm Offer Application Form and Application Monies with the relevant Broker in accordance with the Broker's directions in order to receive an allocation of Shares. Applicants under the Broker Firm Offer must not send their Broker Firm Offer Application Forms to the Share Registry.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by the Broker.

7.3.4. Broker Firm Offer allocation policy

The allocation of Shares to Brokers will be determined by the Joint Lead Managers, in consultation with the Company. Shares which are allocated to Brokers for allocation to their Australian retail resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Company and the Joint Lead Managers to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their clients, and they (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

7.3.5. How do I confirm my allocation?

Applicants under the Broker Firm Offer should contact their Broker to confirm their allocation.

7.4 Priority Offer

7.4.1 Who can apply?

The Priority Offer is open to selected investors who have received a Priority Offer Invitation.

If you have received a Priority Offer Invitation, you will be treated as an applicant under the Priority Offer in respect of those Shares that are allocated to you.

The Priority Offer is not a general public offer and is not open to persons in the United States.

7.4.2 How to apply

If you have received a personalised Priority Offer invitation to apply for Shares under the Priority Offer made under this Prospectus and you wish to apply for all or some of those Shares, you must complete a Priority Offer Application Form in accordance with the relevant instructions provided at www.hvn.co.nz.

Priority Applicants should read this Prospectus carefully and in its entirety before deciding whether to apply under the Priority Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

By making an Application, you declare that you were given access to this Prospectus, together with the Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility to ensure that this occurs.

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7.4.3 Is there a minimum or maximum Application size?

Applications under the Priority Offer must be for a minimum size of $2,000 (equivalent to 10,000 Shares in aggregate).

7.4.4 How to pay

Applicants under the Priority Offer must pay their Application Monies by BPAY® in accordance with the instructions on the Priority Offer Application Form.

When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number (**CRN**) provided to you or generated by the online Priority Offer Application Form. Application Monies paid by BPAY® must be received by the Share Registry by no later than 5:00pm (Sydney time) on 4 December 2019 and it is your responsibility that this occurs.

For more information, Priority Applicants should refer to www.hvn.co.nz or contact the Happy Valley Nutrition Limited IPO Offer Information Line on 1800 131 904 from 8:30am to 5:30pm (Sydney time), Monday to Friday (excluding public holidays).

7.4.5 What is the Priority Offer allocation policy?

The allocation of Shares to Applicants under the Priority Offer will be determined by the Company, in consultation with the Joint Lead Managers. Shares offered under the Priority Offer that are not taken up will be allocated by the Company under the Institutional Offer, the Broker Firm Offer or the General Offer.

7.5 General Offer

7.5.1 Who can apply?

The General Offer is open to all Applicants with a registered address in Australia or New Zealand under the New Zealand Mutual Recognition Regime.

7.5.2 How to apply?

The Application Form marked "General Offer" attached to or accompanying this Prospectus must be completed in accordance with the instructions on the Application Form and received by the Share Registry by 5:00pm on the Closing Date.

Applicants should read this Prospectus carefully and in its entirety before deciding whether to apply under the General Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

By making an Application, you declare that you were given access to this Prospectus, together with the Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility to ensure that this occurs.

7.5.3 Is there a minimum or maximum Application size?

Applications under the General Offer must be for a minimum size of $2,000 (equivalent to 10,000 Shares in aggregate).

7.5.4 How to pay?

7.5.4.1 Payment by BPAY®

Applicants under the General Offer may pay their Application Monies by BPAY® in accordance with the instructions on the General Offer Application Form.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) provided to you or generated by the online General Offer Application Form. Application Monies paid by BPAY® must be received by the Share Registry by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility that this occurs.

7.5.4.2 If paying by cheque(s) or bank draft(s):

Complete the General Offer Application Form attached to or accompanying this Prospectus. Once your General Offer Application Form is completed, please send your General Offer Application Form and cheque or bank draft for the Application Monies to the Registry at the address set out below:

Mailing Address

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

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Cheque(s) or bank draft(s) must be:

- in Australian or New Zealand currency;
- drawn at an Australian or New Zealand branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable to "Happy Valley Nutrition Limited".

For more information, Applicants under the General Offer should refer to www.hvn.co.nz or contact the Happy Valley Nutrition Limited IPO Offer Information Line on 1800 131 904 from 8:30am to 5:30pm (Sydney time), Monday to Friday (excluding public holidays).

7.5.5. What is the General Offer allocation policy?

Applications will be processed and Shares allocated under the General Offer as agreed by the Company and the Joint Lead Managers.

7.6 Application Monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Monies received from Applicants under the Broker Firm Offer, General Offer or the Priority Offer will be held in a special purpose account until the Shares are issued to Applicants. Applicants under the Broker Firm Offer, the General Offer and the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the amount applied for by the IPO Offer Price. Where the IPO Offer Price does not divide exactly into the amount applied for, the number of Shares to be allocated will be rounded down. No refunds pursuant solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your BPAY® payment. If the amount of your BPAY® payment for Application Monies is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your Application may be rejected.

7.7 Institutional Offer

7.7.1 Invitations to Bid

Under the Institutional Offer, Institutional Investors in Australia, New Zealand and certain other eligible jurisdictions outside the United States will be invited to bid for an allocation of Shares under this Prospectus. The Joint Lead Managers separately advised Institutional Investors of the Application procedures for the Institutional Offer. Offers and acceptances in the Institutional Offer are made under this Prospectus and are at the IPO Offer Price per Share.

7.7.2 Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company. The Joint Lead Managers, in consultation with the Company, has absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer will be advised of their allocation of Shares, if any, by the Joint Lead Managers. The allocation policy will be influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Completion of the Offers;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall anticipated level of demand under the Broker Firm Offer, Priority Offer, General Offer and Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- other factors that the Company and the Joint Lead Managers considered appropriate.

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7.8 Acknowledgements

Each Applicant under the Offers will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offers;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the relevant Application Form and having read them all in full;
- declared that all details and statements in their Application Form in relation to them are complete and accurate;
- declared that the Applicant, if a natural person, is over 18 years of age;
- acknowledged that once the Company, a Joint Lead Manager, the Share Registry or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company if their Application is unsuccessful, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that the Company has no current intention to pay dividends, and that if any dividends are paid in the future (which there is no guarantee) they may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant, given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant;
- declared that the Applicant is a resident of Australia or New Zealand (except as applicable to the Institutional Offer and Priority Offer), or otherwise satisfies the requirements in Section 9.10; and
- acknowledged and agreed that the Offers may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus.

7.9 Discretion regarding the Offers

The Company may withdraw the Offers at any time before the issue of Shares to successful Applicants. If the Offers, or any part of an Offer, does not proceed, all Application Monies received from Applicants will be refunded (without interest). The Company and the Joint Lead Managers also reserve the right to close the Offers or any part of an Offer early, extend the Offers or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than those applied for.

7.10 Underwriting arrangements

The IPO Offer is not underwritten.

7.11 Ownership restrictions

The sale and purchase of Shares in the Company is regulated by New Zealand laws that restrict the level of ownership or control by any one person (either alone or in combination with others). Section 7.12 contains a general description of these laws.

7.12 Overseas Investment Act (NZ)

Approval under the OIA is required where non-New Zealand investors acquire or increase an existing 25% or more interest in an entity valued at, or where the consideration provided is, NZ$100 million or more, or where an overseas person establishes a business where the expenditure expected to be incurred prior to commencing the business exceeds NZ$100 million. Consent under the OIA is also required when non-New Zealand investors acquire "sensitive land" or acquire or increase an existing 25% or more interest in an entity that owns "sensitive land" (either directly or indirectly). The Company is an overseas person under OIA and it is currently compliant under the OIA in relation to the acquisitions it has made to date. The Company will be required to obtain approval under the OIA for any future "sensitive land" acquisitions and for the establishment of the Facility. The Listing will not trigger the requirement for consent under the OIA, provided it does not result in a single overseas investor (together with any associates) acquiring, or increasing an existing, 25% or more interest in the Company.

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7.13 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offers or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia and New Zealand. The Shares 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 and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable laws.

This Prospectus may only be distributed in Australia and New Zealand and, outside Australia and New Zealand, to persons to whom the Offers may be lawfully made in accordance with the laws of the applicable jurisdiction, provided that this Prospectus may not be distributed in the United States.

The Offers are not an offer or invitation in any jurisdiction where, or to any person whom, such an offer or invitation would be unlawful.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold, resold, in the United States except in a transaction exempt from, or not subject to, regulation under the US Securities Act and any other applicable securities laws;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offers to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia, except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

7.14 ASX listing, registers and holding statements

7.14.1 Application to ASX for listing of the Company and quotation of Shares

The Company will apply to ASX for admission to the Official List and quotation of the Shares on ASX (under the code "HVM"). The application must be made within seven days of the Prospectus Date.

A copy of this Prospectus has been lodged with ASIC. Neither ASX nor ASIC takes responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If permission is not granted for the Shares to be quoted on ASX on terms acceptable to the Company within three months of the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company in connection with the IPO Offer will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

7.14.2 CHESS and issuer sponsored holdings

The Company has applied, or will apply prior to Listing, to participate in the ASX's Clearing House Electronic Sub-register System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion of the Offers, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Security holder Reference Number (**SRN**) of issuer sponsored holders.

Shareholders will subsequently receive statements showing any changes to their shareholding. Share certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

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SECTION 8

Investigating Accountant's Report

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21 November 2019

The Directors
Happy Valley Nutrition Limited
Level 1
96 St Georges Bay Road
Parnell, Auckland 1052
NEW ZEALAND

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON HAPPY VALLEY NUTRITION LIMITED'S HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

HLB Mann Judd Corporate (NSW) Pty Ltd ("HLBMJC") has been engaged by Happy Valley Nutrition Limited ("HVN" or the "Company") to prepare this report for inclusion in the replacement prospectus to be issued by HVN on or around 21 November 2019 in relation to the proposed capital raising and Initial Public Offering ("IPO") of the Securities on the Australian Securities Exchange ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

HLB Mann Judd Corporate (NSW) Pty Ltd holds the appropriate Australian Financial Services licence (AFSL: 253134) under the *Corporations Act 2001* for the issue of this report.

Scope

Historical Financial Information

You have requested HLBMJC to review the following historical financial information HVN included in the Prospectus:

- Audited Historical Income Statement for the financial period ended 31 March 2017, period ended 30 June 2018 (15 months) and year ended 30 June 2019 (12 months);
- Audited Historical Statements of Cash Flows for the financial period ended 31 March 2017, period ended 30 June 2018 (15 months) and year ended 30 June 2019 (12 months); and
- Audited Historical Statements of Financial Position as at 31 March 2017, 30 June 2018 and 30 June 2019.

(collectively the "Historical Financial Information")

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

hlb.com.au

HLB Mann Judd Corporate (NSW) Pty Ltd ABN 94 003 918 125 AFSL 253134
Level 19, 207 Kent Street Sydney NSW 2000 Australia
T: +61 (0)2 9020 4000 F: +61 (0)2 9020 4190 E: mailbox@hlbnsw.com.au

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The Historical Financial Information has been extracted from the financial report of HVN for the year ended 31 March 2017, period ended 30 June 2018 and year ended 30 June 2019, which was audited by HLB Mann Judd New Zealand, in accordance with International Standards on Auditing (New Zealand). An unmodified opinion was issued on the financial report for the year ended 31 March 2017, period ended 30 June 2018 and year ended 30 June 2019.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Pro Forma Historical Financial Information

You have requested HLBMJC to perform limited assurance procedures in relation to the pro forma historical financial information of HVN (the responsible party) included in the Prospectus.

The pro forma historical financial information has been derived from the Historical Financial Information of HVN's statement of financial position as at 30 June 2019, adjusting for the impact of the Offer and other significant transactions and events, and related notes as set out in section 4.5 of the Prospectus (collectively the "Pro Forma Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.5 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Directors' responsibilities

The directors of HVN are responsible for:

- the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the Historical Financial Information and included in the Pro Forma Historical Information; and
- the information contained in the Prospectus.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement *ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 4 of the Prospectus, and comprising of:

- Audited Historical Income Statement for the financial year period 31 March 2017, period ended 30 June 2018 (15 months) and year ended 30 June 2019 (12 months);
- Audited Historical Statements of Cash Flows for the financial period ended 31 March 2017, period ended 30 June 2018 (15 months) and year ended 30 June 2019 (12 months); and
- Audited Historical Statements of Financial Position as at 31 March 2017, 30 June 2018 and 30 June 2019

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the pro forma historical statement of financial position as at 30 June 2019 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 4 of the Prospectus.

Independence

HLBMJC does not have any interest in the outcome of the proposed IPO, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. From time to time, HLB Mann Judd also provides the Company with certain other professional services for which normal professional fees are received.

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General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

HLBMJC has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, HLBMJC makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

N J Guest
Director and Authorised Representative
HLB Mann Judd Corporate (NSW) Pty Limited

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Appendix A: Financial Service Guide

Dated 21 November 2019

1. **HLB Mann Judd Corporate (NSW) Pty Ltd**
   HLB Mann Judd Corporate (NSW) Pty Ltd ABN 94 003 918 125 ("HLBMJC" or **"we"** or **"us"** or **"our"** as appropriate) has been engaged to issue general financial product advice in the form of a Report to be provided to you.

2. **Financial Services Guide**
   In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.
   This FSG includes information about:
   - who we are and how we can be contacted;
   - the services we are authorised to provide under our **Australian Financial Services Licence, No. 253134**;
   - remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
   - any relevant associations or relationships we have; and
   - our complaints handling procedures and how you may access them.

3. **Financial services we are licensed to provide**
   We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, securities valuations or reports and to provide general financial product advice for the following classes of financial products:
   (i) debentures, stocks or bonds issued or proposed to be issued by a government;
   (ii) interests in managed investment schemes excluding investor directed portfolio services;
   (iii) securities; and
   (iv) superannuation;
   to retail and wholesale clients.
   We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.
   Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

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4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared for the shareholder group as a whole without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HLBMJC, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by us

HLBMJC has no employees. All personnel who complete reports for HLBMJC are either partners of, or personnel employed by, HLB Mann Judd's New South Wales Partnership. None of those partners or personnel is eligible for bonuses directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

HLBMJC is wholly owned by HLB Mann Judd (NSW) Pty Limited. Also, all directors of HLBMJC are partners in HLB Mann Judd's New South Wales Partnership. Ultimately the partners of HLB Mann Judd's New South Wales Partnership own and control HLBMJC.

From time to time HLBMJC, HLB Mann Judd (NSW) Pty Ltd or HLB Mann Judd's New South Wales Partnership may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of their business.

9. Complaints resolution

9.1. Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (NSW) Pty Ltd, Level 19, 207 Kent Street NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination

9.2. Referral to external disputes resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Toll free: 1800 931 678
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details at the foot of page 1 of this FSG.

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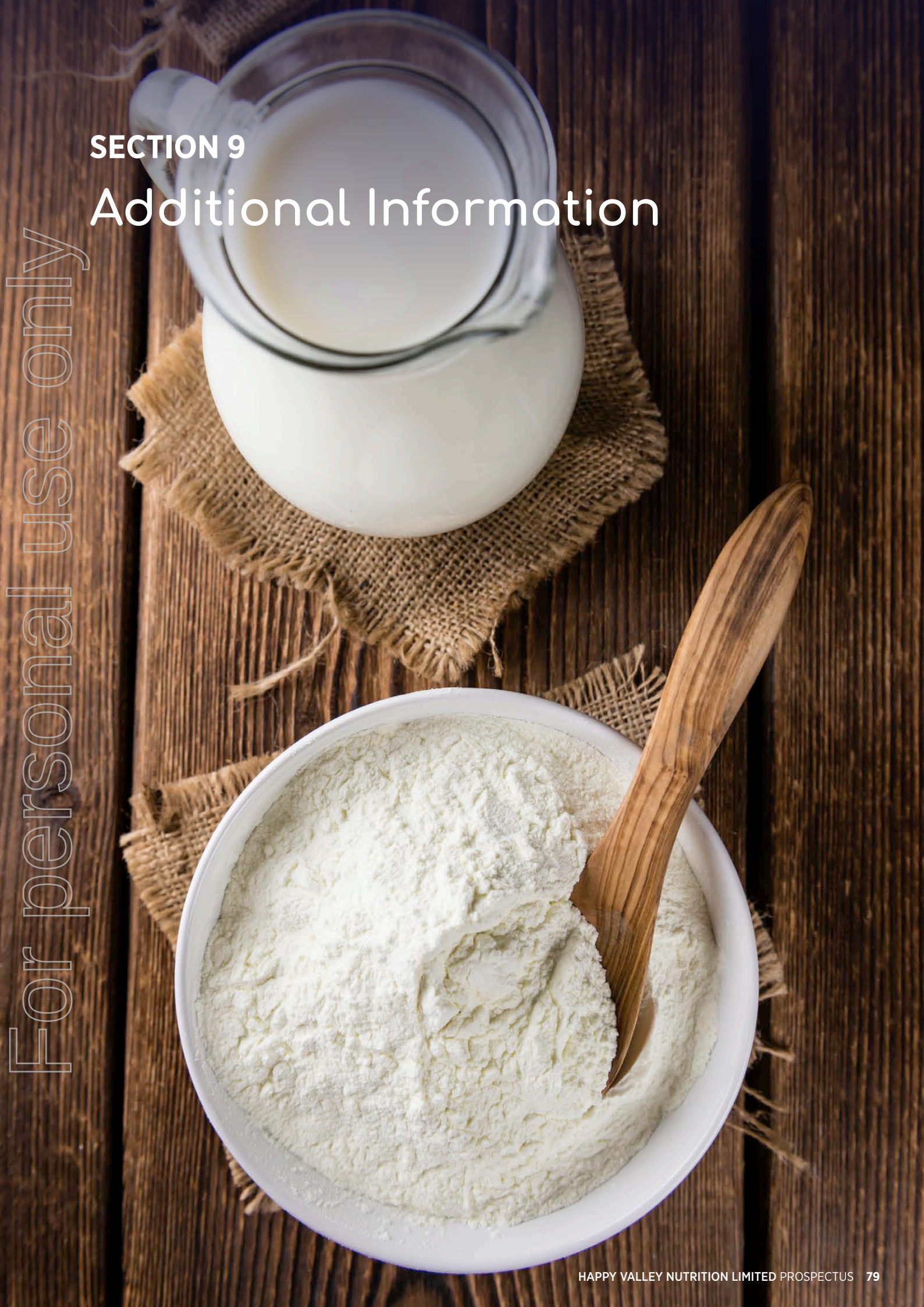

SECTION 9

Additional Information

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9.1 Registration

The Company was incorporated in New Zealand on 8 April 2016 under the New Zealand Company Number 595 2532 under the name of Happy Valley Milk Limited. The Company changed its name to Happy Valley Nutrition Limited on 17 September 2019. The Company is a foreign company, registered in Australia with ASIC on 3 October 2019 under Division 2 of Chapter 5B.2 of the Corporations Act with Australian Registered Body Number 636 597 101.

9.2 Company tax status

The Company is a tax resident in New Zealand and is subject to New Zealand income tax at a current rate of 28%. The Company has a financial year end on 30 June annually.

9.3 Corporate and capital structure

9.3.1 Corporate structure

As at the Prospectus Date the Company does not hold an interest in any entities.

9.3.2 Other securities

In addition to the Shares on issue as set out in Table 7.2, as at the date of this Prospectus there are 66,788,582 Options on issue in the capital of the Company. The table below sets out the exercise price, expiry date and vesting conditions of the Options.

TABLE 9.1: OPTION STRUCTURE

	IPO Options			IPO Milestone Options				
Option Holder	IPO Option	Exercise Price	Expiry date range	Tranche 1 Strategic	Tranche 2 Financing	Tranche 3 Production	Exercise Price	Expiry date range
Ivan Hammerschlag	21,428,571	$0.064	5 years		6,696,429		$0.064	5 years
David McCann	727,485	$0.20	5 years	5,368,102	5,368,102	5,368,102	$0.25	3 years
Randolph van der Burgh	727,485	$0.20	5 years	5,368,102	5,368,102	5,368,102	$0.25	3 years
Anthony Kahn	5,000,000	$0.20	3 years					
Total	**27,883,541**			**10,736,204**	**17,432,633**	**10,736,204**		

The IPO Options will vest on Listing.

The IPO Milestone Options above are subject to the following vesting conditions and may only be exercised once the relevant condition is satisfied:

a. Tranche 1 Strategic: the Company's entry into a legally binding agreement (or agreements) between the Company and a party or parties, including a disclosed agent, which provides for the security, placement or sale of product produced at the Facility;

b. Tranche 2 Financing: the Company's entry into a legally binding agreement (or agreements) which provide for, broadly, the raising of debt and/or equity by the Company or a subsidiary of the Company of an amount that is sufficient to finance the design, build and commissioning of the Facility. For Ivan Hammerschlag however, the Tranche 2 Financing vesting condition will be satisfied by any post-IPO debt or equity raising conducted by the Company; and

c. Tranche 3 Production: The first commercial order by an independent customer of product produced at the Facility following or as part of the Facility's commissioning.

The options granted to Mr Ivan Hammerschlag in May 2018 as consideration for his acceptance of the position of Chairman and his personal investment of $600,000 in the Company at that time. The Company sought Mr Hammerschlag's involvement as Chairman given his business reputation and extensive network of professional contacts which the Company believes will be crucial to transitioning from an advanced stage development company to a vertically integrated nutritional grade milk processor. As noted in Section 9.8, the Company has applied to ASX for a waiver from compliance with Listing Rule 1.1 Condition 12 to the extent necessary to permit the Company to have on issue Options with an exercise price of less than 20 cents.

As part of the Company's pre-IPO fundraising activities:

- on 21 May 2018, the Company issued $3.0 million worth of secured convertible notes. These notes (each of which have a face value of $1.00) will be converted into 26,735,119 Shares on or immediately prior to the Company's listing on ASX at effective conversion price of approximately $0.112 per Share;

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- on 10 October 2019, the Company agreed to accept the assignment and novation of the repayment and conversion obligations of $500,000 worth of unsecured convertible notes originally issued by Longreach on 5 May 2019. These notes (each of which have a face value of $1.00) will be converted into 3,125,000 Shares on or immediately prior to the Company's listing on ASX at a conversion price of $0.16 per Share;
- on 2 May 2019, the Company raised $2.0 million by way of a secured converting loan instrument. This instrument will be converted into 12,500,000 Shares on or immediately prior to the Company's listing on ASX at a conversion price of $0.16 per Share; and
- on 10 October 2019, the Company issued a further $750,000 worth of unsecured convertible notes. These notes (each of which have a face value of $1.00) will be converted into 4,687,500 Shares on or immediately prior to the Company's listing on ASX at a conversion price of $0.16 per Share.

The Company's Existing Shareholders were a party to a Share Purchase Agreement with Longreach pursuant to which the Existing Shareholders intended to sell their Shares to Longreach. It is also proposed that 17.4 million Shares will be issued by the Company to Longreach in consideration for the termination of the Share Purchase Agreement pursuant to the terms of the Deed of Termination dated 10 October 2019. These 17.4 million Shares will be issued by the Company to Longreach following receipt by the Company of ASX's written decision that it will admit the Company to the Official List (subject only to the Company's compliance with the conditions attaching to that written decision from ASX). These Shares will then be distributed in specie to Longreach's shareholders in proportion to the size of their shareholding in Longreach. This in specie distribution is expected to occur within 14 days of the Company's listing on ASX.

Applications under the Pre-IPO Funding Offer may only be made by the holders of Convertible Notes, Longreach Convertible Notes and parties to the Converting Loan as well as Longreach on behalf of its shareholders pursuant to the Termination Deed for the relevant number of Shares that they are due to receive under each of these agreements.

Applications for Shares under the Pre-IPO Funding Offer must be made using the relevant Pre-IPO Funding Application Form provided by the Company on or before the Closing Date. No additional funds or consideration is payable under the Pre-IPO Funding Offer, as the Shares issued under the Pre-IPO Funding Offer are being issued on the conversion of convertible notes for which the face value of each convertible note has already been paid, in full and final satisfaction of a loan provided to the Company or in consideration for the termination of the Share Purchase Agreement pursuant to the Deed of Termination dated 10 October 2019 as amended. The reason for issuing these Shares under this Prospectus is so that they are issued under a disclosure document and are therefore not subject to the 12 month on sale restriction in Section 707(3) of the Corporations Act.

9.4 Material contracts

The Directors consider that there are a number of contracts which are significant or material to the Company or of such nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares. The key provisions of these contracts are summarised below, or elsewhere in this Prospectus. These summaries do not purport to be complete and are qualified by the text of the contracts themselves.

9.4.1 Joint Lead Managers Agreement

The Company entered into an agreement with Bell Potter Securities Limited and Shaw and Partners Limited (**Joint Lead Managers**) under which the Joint Lead Managers have agreed to act as the exclusive joint lead managers and bookrunners to the Offer (Engagement Letter).

In return for the services provided, the Company must pay to the Joint Lead Managers the following fees (exclusive of GST):

- a "Management Fee" of 2.0% of the gross amount raised under the Offer, to be split equally amongst the Joint Lead Managers; and
- a "Selling Fee" of 4.0% of the gross amount raised under the Offer excluding any funds raised to a strategic partner introduced by the Company and/or an existing shareholder as agreed between the Joint Lead Managers and the Company, to be split equally amongst the Joint Lead Managers.

The Engagement Letter will expire on the earlier of completion of the Offer and 24 months after the date of the Engagement Letter.

Either or both Joint Lead Managers may terminate the Engagement Letter at any time by giving 14 days' notice prior to the earlier of:

- the commencement of the deal roadshow for the Offer;
- the making of a firm commitment offer to any investor by the Joint Lead Managers to subscribe for any of the offer securities; and
- the signing of any Underwriting Agreement or Offer Management Agreement in connection with the Offer.

Where one Joint Lead Manager terminates its obligations under the Engagement Letter, the remaining Joint Lead Manager may elect to either also terminate its obligations under the Engagement Letter or assume the obligations of the other Joint Lead Manager under the Engagement Letter.

The Company agrees to offer the Joint Lead Managers the right of first refusal to act as lead manager in any equity capital raisings undertaken by the Company within 12 months following expiry or termination of the Engagement Letter.

The Company agrees to reimburse the Joint Lead Managers for all reasonable out-of-pocket expenses (including GST) incurred by the Joint Lead Managers in connection with the Offer, including legal fees up to a maximum of $25,000.

The Company has provided certain representations and warranties to the Joint Lead Managers in relation to the Company, the Offer and the Engagement Letter. These are typical of commercial agreements of this nature.

In addition, the Company has indemnified each Joint Lead Manager and their related bodies corporate and respective directors, officers, employees, advisers and representatives (Indemnified Party) against any claim, loss, liability and expense incurred or suffered by them in connection with the Offer or the Engagement Letter. The indemnity does not apply to the extent that any claim, loss, liability or expense arises from wilful misconduct, gross negligence, fraud or breach of law by the indemnified party.

9.4.2 Waipa Meadows Irrigation Agreement

This agreement is between the owners of the land known as Waipa Meadows (the WM Owners) and the Company, dated 13 July 2019 (Irrigation Agreement). The Irrigation Agreement allows the Company to build, own and operate an irrigation system on Waipa Meadows. In return, the WM Owners will allow reasonable access over their land and grant the Company an easement over their land to site, operate, repair and maintain the irrigation system for the purpose of conveying, storing and discharging wastewater at the Company's cost. No easement has been registered at this time. The Company has a right to caveat the land to protect its interests. If the Company reasonably requires, the WM Owners will grant a land covenant over their land recording the details of the irrigation system at the Company's cost. The Company will procure and arrange at its cost all work, equipment, parts to install and operate the Irrigation System, which will remain the property of the Company. The Company is responsible for all resource consents, and any other approvals or consents and the WM Owners agree to provide reasonable assistance in relation to the same. The WM Owners are permitted to use the wastewater for land irrigation. The Company is responsible for maintaining and repairing the irrigation system and paying for and providing all amenities such as power. Each party must take out and maintain insurance for their respective interests and obligations under the Irrigation Agreement. The Company is entitled to purchase Waipa Meadows in the agreement described in Section 9.4.2 below. There is a separate first right of refusal to purchase Waipa Meadows in the Irrigation Agreement. Where the Company does not purchase Waipa Meadows, the WM Owners will ensure that any person they intend to sell an interest in the land to (including a mortgagee) is provided with a copy of the Irrigation Agreement and an Irrigation Management Plan and must include as a condition of the grant or disposal ensure the purchaser is bound by the Irrigation Agreement. As at the Prospectus Date the irrigation system and Irrigation Management Plan have not been agreed.

9.4.3 Waipa Meadows Sale and Purchase Agreement

The Company has entered into an agreement with the WM Owners to purchase Waipa Meadows. The key terms of the agreement are:

- Purchase Price - NZ$3,200,000 (plus GST as to land and improvements, and inclusive of GST as to the farmhouse), payable in part by cash of $1,700,000 on settlement and partly by a loan of NZ$1,500,000 from the WM Owners advanced on the settlement date and repayable in 6 instalments of NZ$250,000 per annum from the actual date of settlement. There is a 0% ordinary interest rate and 10% penalty interest rate.
- Settlement Date – 20 working days after satisfaction of the conditions.
- The agreement is conditional on a leaseback arrangement being agreed with WM Owners which is to be put in place on settlement. This condition is for the benefit of both parties. The WM Owners have agreed to extend the date of this condition to 7 calendar months after the date of the agreement expiring on 3 February 2020. If the parties are unable to agree the terms of the leaseback the agreement will come to an end.
- The agreement is also conditional on:
  - the Company obtaining all regulatory and statutory consents for the Facility;
  - the Company obtaining OIA consent for the purchase of the property;
  - the Company obtaining purchaser finance on terms satisfactory to the Company; and
  - the WM Owners agreeing the terms of any second mortgage securing purchaser finance.

  Each of the above conditions are to be satisfied within 18 months of the leaseback arrangements being agreed. The OIA condition may be extended by a further 6 months if reasonable inroads have been made to obtain the approval. If any of the above conditions are not satisfied then the agreement will come to an end.
- The agreement was conditional on the parties entering into an irrigation agreement which has been satisfied and the irrigation agreement has been entered into (see Section 9.4.2 above).
- If the Company elects to sell Waipa Meadows to an unrelated party then as long as the WM Owners remain the tenant of the property then the WM Owners have a right:
  - of first refusal to purchase the property back; and
  - to lease a separate property identified in the waste water discharge consent if the Company acquires that property.

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9.4.4 Agreement to Grant an Easement

This agreement is between Allen Peter van der Poel, Linda Dawn van der Poel and Bailey Ingham Trustees Limited as trustees of the AP & LD van der Poel Family Trust (Trust) and the Company dated 25 March 2019. The Trust owns land neighbouring the site on which the Facility will be developed. The agreement contemplates the creation of a number of rights, including the right for the Company to transport water to the Facility over the Trust's land, the right for the Company to discharge wastewater on to the Trust's land (which has already been registered), an obligation to supply the Trust's land with stock water, and easements for power cables and water pipes, all in accordance with terms yet to be agreed. It also includes the right for the Company to veto another party purchasing the Trust's land.

The agreement is unregistered and a number of the associated provisions are to be agreed as part of the development of the Facility and associated systems. The Company has the ability to caveat the relevant title to protect its interest but has not exercised this right at Prospectus Date.

9.4.5 Employment Agreements

See Section 6.4.1.2 above.

9.4.6 Director Services Agreements

See Section 6.4.2.2 above.

9.4.7 Water Licence Agreement

This agreement to take water from the Waipa River is between Wairakei Pastoral Limited and the Company dated 23 April 2019, expiring on 31 October 2027. There is no right of renewal in the agreement. The agreement grants a consent to take water from the designated water take connection point for the purpose of the construction and operation of the Facility. Annual and daily water take limits apply. The Company is also required to hold public liability insurance and pay any levies or charges including under Wairakei Pastoral Limited's consents directly associated with the water allocated under the consent. There is an option to double water supply where a second drier is incorporated in the Facility. All supply is subject to Wairakei Pastoral Limited's own resource consents, with a commercially reasonable endeavours obligation to maintain supply at the agreed rates. The Company is responsible for the works necessary to take a distribute water from the designated water take connection point and the obtaining of any necessary consents. There is no right to terminate at will.

9.5 Summary of Rights and Liabilities Attached to Shares and other Material Provisions of the Constitution

9.5.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List of the ASX.

9.5.2 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares).

9.5.3 Meetings of Shareholders

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, reports and financial statements required to be sent to Shareholders under the Constitution, Companies Act and ASX Listing Rules. The Company must give at least 10 working days' written notice of a general meeting.

9.5.4 Dividends

The Board may pay any dividend required to be paid under the terms of issue of a Share, and decide the method and currency of payment.

The Board may deduct from dividends payable any unpaid calls, instalments or other amounts, and any interest payable on such amounts, relating to specific shares in respect of which the Company has a lien, and any amounts the Company may be called upon to pay under any legislation in respect of specific shares.

9.5.5 Transfer of shares

Subject to ASX Listing Rules and the ASX Settlement Operating Rules, the Companies Act, the Constitution and any restrictions under law the Shares are freely transferrable. The Board may decline to register, or prevent registration of, any paper-based transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

9.5.6 Issue of further shares

The Board may, subject to the Constitution, Companies Act and the ASX Listing Rules issue, new Shares or other Equity Securities (including granting options) in the Company on such terms as the Board decides.

9.5.7 Winding up

If the Company is wound up, then subject to the Constitution, the Companies Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to any surplus assets of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of an ordinary resolution, divide among the Shareholders the whole or any part of the Company's surplus assets and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

9.5.8 Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of not less than $500.

9.5.9 Variation of class rights

The Companies Act allows the rights attaching to a share in the Company to be negated, altered or added to by the terms of the Constitution or in accordance with the terms that they are issued. The Company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution (being a resolution approved by shareholders holding at least 75% of the shares) of each interest group that is affected. An "interest group" in relation to an action or proposal affecting the rights attached to shares means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company. The Constitution expressly permits that the issue of further shares ranking equally with, or in priority to, existing shares, whether as to voting rights or distributions, is not deemed to be action that affects the rights attached to the existing shares in the Company.

However, the right for the board to authorise a dividend cannot be negated, altered or added to in respect of only some shareholders within a class of shares or where the dividend paid out would be greater per share for only some of the shareholders within a class of shares. Limited exceptions to this exist in certain circumstances including where all shareholders agree to authorise the dividend or where part of the dividend paid to a shareholder (which would otherwise mean the dividend is greater per share than that shareholder is entitled to) relates to the repayment of a liability owed by the Company to the shareholder under the terms of the share issue.

9.5.10 Directors – appointment and retirement

Under the Constitution, the Board is comprised of a minimum of three directors and, subject to that limitation, the number of directors to hold office shall be fixed from time to time by the Board. Directors are elected or re-elected at general meetings of the Company.

Retirement will occur on a rotational basis so that no Director may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected, or for more than three years (whichever is longer). The Board may also appoint any eligible person to be a Director either as an addition to the existing Directors or to fill a casual vacancy, who will not hold office (without re-election) until the past the next annual general meeting of the Company.

9.5.11 Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present and entitled to vote on the matter.

A written resolution of the Board may be passed without holding a meeting of the Board, if all of the Directors sign or consent to the resolution.

9.5.12 Directors – remuneration

Subject to the Companies Act and the ASX Listing Rules, the Board may authorise the remuneration and other benefits to and for Directors.

Directors are entitled to be paid for all reasonable travelling, accommodation and other expenses they incur in connection with the Director's attendance at meetings or otherwise in connection the Company's business. The Board may authorise special remuneration to any Director who is or has been engaged by the Company or a Subsidiary to carry out any work or perform any service outside the scope of ordinary duties of a Director of the Company or a Subsidiary. Directors' remuneration is discussed in Section 6.4.1.2.

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9.5.13 Powers and duties of Directors

The Board has the rights, powers, duties and obligations set out in the Companies Act except to the extent that, as permitted by the Companies Act, they are negated or modified by the Constitution.

Under the Companies Act, the directors owe certain duties and obligations to the Company, including duties to act in good faith and in the best interests of the Company, to exercise powers as a director for a proper purpose, not to trade recklessly, not to agree to certain obligations (unless the director believes on reasonable grounds that the Company will be able to perform the obligation when due) and a duty of care when exercising powers or performing duties as a director.

Directors also have a range of fiduciary duties arising under common law which operate in parallel to the duties under the Companies Act. These include a duty to exercise care, skill and diligence under both the common law tort of negligence and the equitable duty of care, a duty to act lawfully, and a duty not to prejudice creditors' interests if the company is insolvent.

Board approval is generally required under the Companies Act to, among other things, issue shares in the Company, change the registered office address of the Company, authorise dividends, buy-back shares of the Company and approve an amalgamation proposal relating to the Company.

9.5.14 Indemnities

Under the Constitution the Company may indemnify each Director and employee of the Company or a related company against all losses, liabilities, costs, charges and expenses incurred by the person as an officer of the Company. The Board may determine the amounts and terms and conditions of the indemnity. See Section 6.4.2.3 above for the terms of the indemnities provided to the Directors.

The Company may, with the prior approval of the Board, purchase and maintain insurance for each Director or employee of the Company or a related company against any liability or costs incurred by that person as an officer of the Company or of a related company, including, but not limited to, a liability for negligence for legal costs. See Section 5.3.8 for the terms of the Directors and Officers insurance cover held by the Company.

9.5.15 Access to records

Except as provided for in the Companies Act or unless the Board determines otherwise, shareholders are not entitled to inspect any records, books, papers, correspondence or documents of the Company or require or receive any information concerning the Company's business, trading or customers, or any trade secret or secret process of or used by the Company.

9.5.16 Amendment

Under the Companies Act the Constitution can be altered or revoked by special resolution (being a resolution approved by shareholders holding at least 75% of shares).

9.6 Comparison of Australian and New Zealand company laws

The Company is a company incorporated in New Zealand and it is principally governed by New Zealand laws. In Australia, the Company is registered with ASIC as a foreign company under Division 2 of Chapter 5B.2 of the Corporations Act. As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are generally not regulated by the Corporations Act and ASIC. The Company is regulated by New Zealand legislation, including the Companies Act, the Financial Markets Conduct Act and the New Zealand Financial Markets Authority and Registrar of Companies.

The table below summarises key aspects of the laws that apply to the Company as a New Zealand company (under New Zealand law) compared with the laws that apply to Australian incorporated publicly listed companies generally. This summary is not a complete review of all matters of New Zealand law applicable to companies.

Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign company.

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TABLE 9.1: COMPARISON OF AUSTRALIAN AND NEW ZEALAND LAWS

Law	Australian Law	New Zealand Law
Transactions requiring shareholder approval	Shareholder approval is required for altering a company's constitution, appointing or removing directors, putting the company into liquidation, changes to the rights attaching to shares and certain transactions affecting share capital (e.g. share buybacks, share splits and share capital reductions). Generally, there is no shareholder approval requirement for 'major transactions' under the Corporations Act, except that certain related party transactions require shareholder approval. Under the ASX Listing Rules, which will apply to the Company once listed, shareholder approval is required for, amongst other things: • increases in the total amount of non-executive directors' fees; • directors' termination benefits in certain circumstances; • certain transactions with related parties and parties of influence; • certain issues of shares; and • if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.	Under the Companies Act, principal transactions or actions which require shareholder approval include: • adopting or altering the constitution of a company; • appointing or removing a director or auditor; • 'major transactions' – being a transaction where the Company acquires or disposes of assets or incurs an obligation that has a value of greater than half of the Company's existing assets (including contingent assets or liabilities). A major transaction must be approved by a 'special' resolution of the shareholders of a company being shareholders holding at least 75% of the shares; • putting the company into liquidation (however, liquidation can also occur other than by shareholder approval); and • changes to the rights attached to shares.
Changes in the rights attaching to shares	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out such a procedure, such rights may only be varied or cancelled by: • a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class or whose rights are being varied or cancelled; or • a written consent of members with at least 75% of the votes in the class.	The Companies Act allows the rights attaching to a share in the Company to be negated, altered or added to by the terms of the Constitution or in accordance with the terms that they are issued. The Company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution (being a resolution approved by shareholders holding at least 75% of the shares) of each interest group that is affected. An "interest group" in relation to an action or proposal affecting the rights attached to shares means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company. However, the right for the board to authorise a dividend cannot be negated, altered or added to in respect of only some shareholders within a class of shares or where the dividend paid out would be greater per share for only some of the shareholders within a class of shares. Exceptions to this exist in certain circumstances including where all shareholders pass an entitled persons agreement to authorise the dividend or where part of the dividend paid to a shareholder (which would otherwise mean the dividend is greater per share than that shareholder is entitled to) relates to the repayment of a liability owed by the Company to the shareholder under the terms of the share issue.

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Law	Australian Law	New Zealand Law
Shareholder protections against oppressive conduct	Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and the court can make such orders as it considers appropriate.	A shareholder or former shareholder of a company (or any other person who holds any rights and powers of a shareholder under the constitution) who considers that the affairs of a company have been (or are being, or are likely to be) conducted in a manner that is (or any act or acts of the company have been, or are, or are likely to be) oppressive, unfairly discriminatory, or unfairly prejudicial to him or her in any capacity may apply to the court for relief. The court may, if it thinks it is just and equitable to do so, make such orders as it thinks fit.
Shareholders' rights to request a meeting	Under the Corporations Act shareholders have a right to request a meeting through two methods: • Shareholders with at least 5% voting rights can themselves have a right to request a meeting at their own expense. • The board is required to call a general meeting on the request of shareholders with at least 5% of the votes that may be cast at the general meeting.	A shareholder or shareholders holding shares carrying at least 5% of the voting rights may make a written request to the board to call a special meeting of shareholders.
Shareholders' right of appointment of proxies	Under the Corporations Act a shareholder of a company who is entitled to attend and cast a vote at a member's meeting may appoint a proxy to attend and vote.	Shareholders have the right to appoint a proxy to attend and vote at meetings on their behalf under the Companies Act. The proxy must be appointed by notice in writing signed by the shareholder or, in the case of an electronic notice, sent by the shareholder to the company. The notice of appointment must specify whether the appointment is for a particular meeting or a specified term.
Shareholders' rights to bring or intervene in legal proceedings on behalf of the company	The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.	A court may, on the application of a shareholder of a company, grant leave to that shareholder to bring proceedings in the name and on behalf of the company or any related company, or intervene in proceedings to which the company or any related company is a party, for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company or related company.
Remuneration reports and the "2 strikes" rule	Section 300A of the Corporations Act requires that an Australian listed public company's annual report must include a report by the directors on the company's remuneration framework (called a remuneration report). Under Section 250U of the Corporations Act, the "2 strikes" rule applies to Australian listed public companies. The "2 strikes" rule only applies if at two consecutive AGMs' of the company, at least 25% of the votes cast on a resolution that the remuneration report be adopted were against adoption of the report and a resolution was not put to the vote at the earlier AGM under an earlier application of Section 250V of the Corporations Act. Under Section 250V, at the second AGM, there must be put to the vote a resolution (the spill resolution) that another general meeting (the spill meeting) be held within 90 days and all the company's directors (who were directors when the resolution to make the director's report was considered at the second AGM and are not a managing director of the company) cease to hold office immediately before the end of the spill meeting. Also, at the spill meeting, it must be put to vote to appoint persons to offices that will be vacated.	There is no equivalent of the "2 strikes" rule in relation to remuneration reports in New Zealand. New Zealand companies are not required to publish remuneration reports. There is however, an obligation to state in the company's annual report, in respect of each director or former director of the company, the total remuneration and the value of other benefits received by that director or former director from the company during the relevant accounting period. There is also an obligation to disclose the number of employees or former employees of the company, not being directors of the company, who received remuneration and any other benefits in their capacity as employees during the relevant accounting period, the value of which was NZ$100,000 per annum or greater, stated in brackets of NZ$10,000.

Law	Australian Law	New Zealand Law
Disclosure of substantial holdings	The Corporations Act requires every person who is a substantial holder to notify the listed company and the ASX that they are a substantial holder and to give prescribed information in relation to their holding if: • the person begins to have, or ceases to have, a substantial holding in the company or scheme; • the person has a substantial holding in the company or scheme and there is a movement of at least 1% in their holding; or • the person makes a takeover bid for securities of the company. Under the Corporations Act a person has a substantial holding if: – the total votes attached to voting shares in the company in which they or their associates have relevant interests (or would have a relevant interest but for s609(6) (market traded options) or s609(7) (conditional agreements)) is 5% or more of the total number of votes attached to voting shares in the company; or – the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended. These provisions do not apply to the Company as an entity established outside Australia.	The Financial Markets Conduct Act requires every person who is a "substantial product holder" in a listed issuer to give notice to that listed issuer and NZX that they are a substantial product holder. However, this provision will not apply to the Company as the Company is not listed on NZX. Rather, the disclosure regime in the ASX Listing Rules will apply.
Takeovers	The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a public company with more than 50 members if any person's (and their associates) voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to his prohibition include acquisitions with shareholder approval, 3 % creep over 6 months and rights issues that comply with certain statutory conditions. The Australian takeovers regime will not apply to the Company as a New Zealand company.	The New Zealand position on the Takeovers Code and Financial Markets Conduct Act is broadly comparable to the Australian position in relation to the regulation of takeovers. A 20% threshold applies (from which a person is prevented from increasing the percentage of voting rights held or controlled by them in excess of that threshold or from becoming the holder or controller of an increased percentage of voting rights if they already hold or control more than 20% of the voting rights), subject to certain 'compliance options' (including full and partial offers, 5% creep over 12 months in the 50% to 90% range, and acquisitions with shareholder approval). Compulsory acquisitions are permitted by persons who hold or control 90% or more of voting rights in a Code company.

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9.7 Escrow arrangements

9.7.1 Escrow

As a condition of Listing, ASX has classified certain Shares as restricted securities. Certain Shareholders have entered into ASX restriction deeds with the Company in the form prescribed in Appendix 9A of the ASX Listing Rules in relation to certain Shares that the relevant Shareholders will hold on Completion of the Offers. These agreements restrict sales, disposals, encumbering of, or otherwise dealing the Shares concerned for the relevant escrow period which in this case is 24 months. Additionally, an Existing Shareholder and their Associates have agreed to enter into a voluntary escrow agreement which also restricts sales, disposals, encumbering of, or otherwise dealing in the Shares concerned for a period of 24 months.

Table 9.2 below sets out the periods during which certain Shareholders are restricted from dealing in their Shares pursuant to the mandatory escrow arrangements and in the case of the Unrelated Existing Shareholder noted below, voluntary escrow.

TABLE 9.2: ESCROWED SHAREHOLDERS

Shareholder or class of Existing Shareholder	Shares held	Shares subject to escrow on Listing	Escrow period	Options subject to escrow	Option escrow period
Ivan Hammerschlag	5,347,024	2,347,024	2 Years from Listing	28,125,000	2 years from Listing
David McCann	8,778,031	7,709,032	2 Years from Listing	16,831,791	2 years from Listing
Randolph van der Burgh	9,633,555	8,470,155	2 Years from Listing	16,831,791	2 years from Listing
Anthony Kahn	625,000	125,000	2 Years from Listing	5,000,000	2 years from Listing
Related Existing Shareholders	625,000	125,000	2 Years from Listing	–	N/A
Unrelated Existing Shareholders	124,991,390	12,554,099	2 Years from Listing	–	N/A
Total	**150,000,000**	**31,330,310**		**66,788,582**	

9.7.2 Release of escrow

The Company will have to apply to ASX for a waiver to permit the disposal of a restricted security pursuant to a takeover offer of or merger with a company as the Company is not an Australian company. However, ASX will consider granting a waiver to permit this disposal where it is satisfied that the takeover or merger is subject to an acceptable regulatory regime equivalent to the Corporations Act.

9.8 ASX Waivers and ASIC Relief

As at the Prospectus Date, the Company has applied to ASX for a waiver from compliance with Listing Rule 1.1 Condition 12 to the extent necessary to permit the Company to have on issue 28,125,000 Options with an exercise price of less than 20 cents.

The Company has not sought any relief from ASIC.

9.9 Legal Proceedings

As at the Prospectus Date, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threated against the Company.

9.10 Summary of Australian Tax Issues for Australian tax resident investors

Key Australian and direct taxation implications for Australian and New Zealand tax resident shareholders are as summarised below. The summary considers shareholders who hold shares for purposes of dividends rather than gain on sale, that is, are taxable under the Australian CGT regime. This summary is not an exhaustive list of all taxation implications, and you should consult with a professional tax adviser for advice specific to your circumstances.

9.10.1 Australian Shareholders

Generally, a foreign company is a resident of Australia if it carries on business in Australia and has either its central management or control in Australia or its voting controlled by shareholders who are residents of Australia. In order for a foreign company to be considered a tax resident company of Australia, the foreign company must satisfy both conditions. The Company does not carry on a business in Australia as such, it is not necessary to consider whether the Company's central management and control is in Australia or if its voting power is held by Australian resident shareholders. The Company would not be a tax resident of Australia for taxation purposes. Furthermore, the issue of Shares under the Offers would not change the residency status of the Company for income tax purposes. Therefore, the Shares issued as a result of the Offers would be considered shares in a foreign resident company in the hands of Australian tax resident Shareholders.

9.10.1.1 Dividends

Australian tax residents are subject to Australian income tax on their worldwide income (i.e. Australian and foreign sourced income). Where the Company declares and pays a dividend to Australian shareholders, foreign sourced imputed dividends would be included in the assessable income of the Australian Shareholders including a foreign tax credit for any New Zealand non-resident withholding tax deducted from the dividend. Noting that, the underlying income tax paid by the Company would not qualify as a foreign tax credit and as such, the Australian shareholders would not be able to claim a tax credit in computing their Australian tax position.

A corporation shareholder holding 10% or more of the Company generally excludes dividends from the Company from its Australian assessable income under the non-portfolio dividend exemption. Correspondingly no foreign income tax offset (FITO) is applicable to that class of shareholder.

9.10.1.2 Withholding Tax

The imputed dividends paid to the Australian Shareholders would be subject to non-resident dividend withholding tax at a rate of 15%. Noting that the 15% withholding tax on fully imputed dividends paid to a non-resident is, effectively, reimbursed via the payment of a supplementary dividend (by the Company) and funded by a tax credit from the government (to the Company). Noting further that if the dividend is fully imputed and paid to a non-resident who holds greater than 10% shareholding interest in the company, the non-resident dividend withholding tax rate is 0%.

If a shareholder is a corporation holding 10% or more of the voting interest in the Company, the NZ withholding tax applicable will be 5% of the gross amount of the dividends as a result of the NZ – Australia tax treaty. If a corporation holding 80% or more of the voting interest in the company, the withholding tax applicable will generally be 0% of the gross amount of the dividends.

9.10.1.3 Capital Gains Tax

The capital gains tax provisions generally apply to transactions which involve the disposal of an asset (i.e. shares, options, etc.) acquired on capital account as such, the disposal of the Company shares would be a CGT event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the shares (broadly, the cost base includes the amount paid to acquire the shares plus any transaction costs incurred in relation to the acquisition or disposal of the shares). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the shares. A CGT discount may be applied to the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustee (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses. Alternatively, a capital loss will be realised where the reduced cost base of the shares exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

New Zealand does not have a CGT regime. However, gains realised from the sale of shares will be subject to income tax if held on revenue account, for example if the shareholder is a dealer, or the shares were acquired for the purpose of resale, or the shares are otherwise regarded as being held on revenue account. Shares will be regarded as held on capital account if acquired for the purpose of deriving dividend income and/or for long term growth or if they were passively acquired.

The above does not consider those shareholders who acquire shares in the course of a business of trading or investing in securities or who otherwise hold Shares on revenue account or as trading stock, nor does it address the position of investors who are subject to the provisions regarding the 'taxation of financial arrangements' in Division 230 of the Income Tax Assessment Act 1997.

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9.10.2 New Zealand Shareholders

Key taxation implications for New Zealand tax resident shareholders are as summarised below.

9.10.2.1 Dividends

New Zealand tax residents are subject to Australian income tax on their Australian sourced income only (i.e. foreign sourced income is not subject to Australian income tax). The source of the dividends paid by the Company would be sourced from New Zealand as the business operations to generate the dividends is carried on in New Zealand and other foreign jurisdictions excluding Australia. Therefore, the dividends paid by the Company would not be subject to Australian income tax provisions as the dividends would constitute foreign sourced income from an Australian income tax perspective.

9.10.2.2 Withholding Tax

The Company could pay imputed dividends to its shareholders with attaching New Zealand tax credits. Fully imputed dividends would be subject to 5% resident withholding tax payable by the Company and as such, the respective New Zealand tax resident shareholders would receive a New Zealand tax credit to offset against their tax liability.

9.10.2.3 Capital Gains Tax

New Zealand tax residents are subject to Australian income tax on their Australian sourced income only. As such, the disposal of foreign assets would not be subject to Australian income tax in particular, any capital gain or loss that a foreign tax resident realises from a CGT event that happens in relation to a CGT asset that is not 'taxable Australian property' is disregarded (refer to Division 855). The shares issued by the Company as a result of the IPO would be considered a foreign sourced asset (i.e. shares in a foreign company) as such, the Company shares would not be considered to constitute 'taxable Australian property' in the hands of New Zealand tax resident shareholders. Therefore, where a New Zealand tax resident shareholder disposes of its shares in the Company, the said shareholder would not be subject to Australian CGT provisions.

New Zealand does not have a CGT regime. However, gains realised from the sale of shares will be subject to income tax if held on revenue account, for example if the shareholder is a dealer, or the shares were acquired for the purpose of resale, or the shares are otherwise regarded as being held on revenue account. Shares will be regarded as held on capital account if acquired for the purpose of deriving dividend income and/or for long term growth or if they were passively acquired.

9.10.2.4 Stamp duty

On the issue or allotment of the Company shares as part of the offer, no stamp duty should be payable. No stamp duty should be payable in respect of the acquisition or disposal of the Company shares that are quoted on the ASX at the time of the transactions. New Zealand does not have a stamp duty regime.

9.11 Foreign selling jurisdictions

The offer of Shares under this Prospectus does not constitute a public offer in any jurisdiction outside Australia or New Zealand. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offers, or to permit otherwise a public offering of the Shares in any jurisdiction outside Australia or New Zealand. The distribution of this Prospectus outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside of Australia except to the extent permitted below.

9.11.1 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong (CWUMP), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong by means of any document other than (i) to 'professional investors' (as defined in the SFO and any rules made under that ordinance) or (ii) in other circumstances which do not result in the document being a 'prospectus' as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP or the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to these Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

9.11.2 New Zealand

The Offers are being extended to New Zealand investors under the New Zealand Mutual Recognition Regime. Investors in New Zealand should refer to the warning statement under the heading 'Important notice to New Zealand Investors'.

A copy of this Prospectus, other documents relating to the Offers and a copy of the Constitution have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (offer number, OFR12759). While the Offers are being extended to New Zealand investors under the New Zealand Mutual Recognition Regime, no application for listing and quotation is being made to NZX Limited.

9.11.3 Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a. a corporation (that is not a corporation that is an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b. a trustee of a trust (where the trustee is not an accredited investor) whose sole purpose of which is to hold investments and each beneficiary of which is an individual who is an accredited investor, securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 275 of the SFA except:

c. to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

d. where no consideration is or will be given for the transfer;

e. where the transfer is by operation of law;

f. as specified in Section 276(7) of the SFA; or

g. as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

9.11.4 United Kingdom

If you (or any person for whom you are acquiring the Shares) are in the United Kingdom, you (and any such person) are:

a. a "qualified investor" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000, as amended; and

b. within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

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9.12 Costs of the Offers

The total expenses of the Offers (inclusive of GST) are estimated to be approximately $1.49 million (Minimum Subscription) and up to $1.67 million (Full Oversubscription) and are expected to be applied towards the items set out in Table 9.3 below.

TABLE 9.3: COSTS OF THE OFFERS

Item of expenditure	Costs (Minimum Subscription) $	Costs (Full Oversubscription) $
Joint Lead Managers, selling and management fees	720,000	900,000
Australian and New Zealand legal fees	350,000	350,000
Tax and accounting fees	35,000	35,000
Insurance costs	250,000	250,000
ASIC Fees	3,206	3,206
ASX Fees	104,778	108,007
Marketing, printing and distribution	50,000	50,000
Total	**1,512,984**	**1,696,213**

9.13 Consents to be named and disclaimers of responsibility

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given, and has not, before the lodgement of this Prospectus with ASIC, withdrawn their written consent to being named in this Prospectus in the form and context in which it is named:

- Bell Potter and Shaws as Joint Lead Managers in relation to the IPO Offer;
- K&L Gates as Australian legal adviser (other than in respect of taxation) to the Company in relation to the Offers;
- DLA Piper as New Zealand legal adviser to the Company in relation to the Offers;
- HLB Mann Judd as Investigating Accountant and auditor and for the inclusion of its Investigating Accountant's Report in Section 8 and the statements specifically attributed to it in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report and those statements) in this Prospectus; and
- Link Market Services Limited as the share registry to the Company.

No entity or person referred to above has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the persons and entities referred to in this Section 9.13 has not authorised or caused the issue of this Prospectus and does not make any offer of Shares.

9.14 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the law applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.15 Statement of Directors

Each Director of the Company has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC in accordance with Section 720 of the Corporations Act. This Prospectus is signed by a Director of Happy Valley Nutrition Limited in accordance with Section 351 of the Corporations Act.

Randolph van der Burgh
Non-executive Director

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Appendix A

Glossary

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Defined terms

Term	Meaning
$** or **A$	an Australian dollar
AAS or **Australian Accounting Standards**	the Australian Accounting Standards and other authoritative pronouncements issued by the AASB
AASB	the Australian Accounting Standards Board
AEST	Australian Eastern Standard Time
AFSL	Australian Financial Services Licence
AMF	Anhydrous Milk Fat
APA	Animal Products Act 1999 (NZ)
Applicant	a person who submits an Application
Application	an application made to subscribe for Shares offered under this Prospectus
Application Form	the relevant form attached to or accompanying this Prospectus relating to the Offer (including the electronic form provided by an online Application facility)
Application Monies	the amount of money accompanying an Application Form submitted by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the securities exchange that it operates, as the context requires
ASX Recommendations	the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition)
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	the operating rules of ASX Settlement
AQSIQ	general Administration of Quality Supervision Inspection and Quarantine
A2	A2 refers to a variety of cow's milk that is generally free from a form of β-casein protein called A1
B2B	Business-to-Business
Bell Potter	Bell Potter Securities Limited (ABN 25 006 390 772) AFSL 243480
Board	the Board of Directors of the Company
BPAY®	the payment mechanism used to pay Application Monies online
Broker	any ASX participating organisation selected by the Joint Lead Managers and the Company to act as a broker to the IPO Offer
Broker Firm Offer	the offer of Shares under this Prospectus to Australian resident retail clients of Brokers who have received an invitation from their Broker, provided that such clients are not in the United States, as described in Section 7.13
Business Day	a day that is not a Saturday or Sunday or a public holiday in New South Wales
Broker Firm Offer Application Form	the Application Form made available with a copy of this Prospectus, identified as the Broker Firm Offer Application Form
CAGR	compound annual growth rate
CFDA	China Food and Drug Administration
CGT	capital gains tax
CIQ	China inspection and Quarantine
Chairman	the chairman of the Board
CHESS	Clearing House Electronic Sub-register System operated in accordance with the Corporations Act
Closing Date	the date on which the Offers close, being 4 December 2019 at 5:00 pm (AEST). This date and time may be varied by the Company, in consultation with the Joint Lead Managers, without prior notice

Appendix A. Glossary

Term	Meaning
CNCA	China National Certification and Accreditation Administration
Companies Act	the Companies Act 1993 (NZ)
Company	Happy Valley Nutrition Limited (ARBN 636 597 101)
Completion of the Offers	the completion of allocation and issue of Shares to Successful Applicants under this Prospectus
Constitution	the constitution of the Company
Corporations Act	Corporations Act 2001 (Cth)
Council	together the ODC and WRC
Director	a director of the Company
Deed of Termination	means the deed of termination dated 10 October 2019 between Longreach and the Existing Shareholders
Escrowed Shareholders	the holders of Shares that are escrowed, as described in Section 9.7
Escrowed Shares	the Shares which are subject to escrow restrictions as described in Section 9.7
Existing Shares	the issued Shares immediately prior to the allotment of Shares under the Offers
Existing Shareholders	Shareholders as at the date of this Prospectus
Expiry Date	the date that is 13 months after the date of this Prospectus
Exposure Period	the seven day period after the Prospectus Date, which may be extended by ASIC by a further period of seven days, during which no Applications may be processed by the Company
Facility	has the meaning given to that term in the Chairman's Letter
Financial Information	the financial information described as Financial Information in Section 4.1
FY	the abbreviation for a financial year, which ends on 30 June for the Company
Full Oversubscription	means subscription amounts of up to an additional $3 million in excess of the Minimum Subscription that may be accepted by the Company pursuant to the IPO Offer, for a total capital raising of $15 million (before the costs of the Offers)
GACC	General Administration of China Customs
General Offer	means the offer of Shares under this Prospectus to Applicants with registered addresses in Australian or New Zealand, as described in Section 7.5
GST	goods and services tax
IMF	means Infant milk formula
IMF base powder	is a semi-formulated base made from milk, which is of the quality standards expected of IMF and can be further processed into IMF as a dry powder prior to consumer packaging. The pack format is 25 kg walled bags
IFRS	International Financial Reporting Standards
Ingredients, and/or **IMF Ingredient**	defined as products that are used in IMF recipes and Other Nutritional Product formulations. These include, but not limited to, Whey Protein Concentrate, Whey protein isolate, Lactose, Casein powders, SMP. IMF ingredients includes more rigorous quality requirements
Institutional Investors	investors who are: • wholesale clients under Section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under Sections 708(11) and 708(8) of the Corporations Act; or • institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approved by, any government agency (expect one with which the Company is willing in its discretion to comply)
Institutional Offer	the invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 7.7
Investigating Accountant	HLB Mann Judd (ABN 32 001 500 358)

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Term	Meaning
Investigating Accountant's Report	the report of the Investigating Accountant as set out in Section 8
IPO	the initial public offering of shares under this Prospectus and Listing
IPO Offer	the Broker Firm Offer, the Institutional Offer, the Priority Offer and the General Offer
IPO Offer Price	$0.20 per Share
IPO Milestone Options	the 38,905,041 options issued to the IPO Milestone Option Holders
IPO Milestone Option Holders	the IPO Milestone Option Holders are Randolph van der Burgh, David McCann and Ivan Hammerschlag
IT	means information technology
Joint Lead Managers	Bell Potter and Shaws
Listing	admission of the Company to the Official List and quotation of the Shares
Liquid Variants	Ultra-High Temperature (UHT) and other long life formulaic nutritional milks
MARA	Ministry of Agriculture and Rural Affairs.
Minimum Subscription	means the minimum subscription being sought by the Company under the IPO Offer, being $12 million (before the costs of the Offers)
MPI	Ministry for Primary Industries, New Zealand
Management	the executive management team of the Company, as described at Section 6.3
MT	metric tonnes
New Shareholders	Shareholders who are issued Shares under the Offers
New Zealand Mutual Recognition Regime	the mutual recognition regime established under subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 (NZ) and Part 9 of the Financial Markets Conduct Regulations 2014 (NZ)
Nutritional or **Nutritional grade**	Nutritional, or Nutritional grade, represents the context for the manufacture, supply chain, product quality, people skills and processes for the manufacture of IMF. This represents industry best practice and may use different standards from other industries. These include, but not limited to; Current Good Manufacturing Practice (cGMP), and regulatory body requirements
NZD	the New Zealand dollar, the lawful currency of New Zealand
ODC	Otorohanga District Council
Offers	the IPO Offer and the Pre-IPO Funding Offer
Offer Period	the period from the Opening Date to the Closing Date
Official List	the official list of entities that ASX has admitted to and not removed from listing
Official Quotation	official quotation of the Shares on the Official List
OIO	Overseas Investment Office
OOAP	Official Organic Assurance Programme
Original Prospectus	the prospectus dated 8 November 2019 in relation to the Offers, which is replaced by this Prospectus
Other Nutritional Products	has the meaning given to that term in the Chairman's Letter
Opening Date	the date on which the Retail Offer opens, which is expected to be 18 November 2019
Options	the options over Shares granted by the Company, as described at Section 9.3.2
Pasture Fed	milking cows fed on open fields that grow pasture feed
Pre-Project Activities	has the meaning given to that term in Section 3.5.1
Pre-IPO Funding Offer	defined in Section 7.1
Priority Offer	the offer of Shares under this Prospectus to persons who have received a Priority Offer Invitation, as described in Section 7.4
Pro Forma Historical Financial Information	defined in Section 4.1

Appendix A. Glossary

Term	Meaning
Pro Forma Historical Statement of Financial Position	defined in Section 4.1
Prospectus	this document (including the electronic form of this Prospectus) under which the Offers are made and which is dated 22 November 2019, which is a replacement prospectus which replaces the Original Prospectus (and any supplementary prospectus in relation to this document)
Prospectus Date	the date on which a copy of this Prospectus is lodged with ASIC, being 22 November 2019
Resource Consent	means a consent that has been issued to the Company under the Resource Management Act 1991 (NZ) by ODC or WRC as applicable
Retail Offer	comprises the Broker Firm Offer, the Priority Offer and the General Offer
RMP	Risk Management Plan
Settlement Date	the date on which settlement of the Offers is expected to occur, being 9 December 2019
SAC	Standardization Administration of China
SAIC	State Administration for Industry and Commerce
SAMB	State Administration for Market Regulation
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a registered holder of Shares
Shareholding	a Shareholder's holding of Shares
Share Purchase Agreement	the conditional share sale agreement executed between the Company and Longreach Oil Limited dated 20 March 2018
Share Registry	Link Market Services Limited (ABN 54 083 214 537)
Shaws	Shaw and Partners Limited (ABN 24 003 221 583) AFSL 236048
SMP	Skimmed milk powder
Statutory Historical Annual Cash Flows	defined in Section 4.1
Statutory Historical Annual Results	defined in Section 4.1
Statutory Historical Financial Information	defined in Section 4.1
Statutory Historical Statement of Financial Position	defined in Section 4.1
Successful Applicant	an Applicant who is issued Shares under the Offers
The PRC or **China**	The People's Republic of China
TFN	tax file number
Timetable	the timetable in respect of the Offers set out in the Key Details Section of the Prospectus
Vertically Integrated	the Company's definition of vertical integration involves solely the upstream portion of the supply chain. The Company would assume full effective oversight and management of suppliers, ingredients sourcing and inbound logistics of raw materials, as well as processing, production and outbound logistics of consumer ready IMF and other A2 and organic formulaic nutritional milk products
VWAP	Volume Weighted Average Price
USD	the US dollar, the lawful currency of the United States of America
WMP	whole milk powder
WRC	Waikato Regional Council
YOY	year-over-year

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Happy Valley Nutrition Limited

HAPPY VALLEY NUTRITION LIMITED

ARBN 636 597 101

Broker Code

Adviser Code

General Offer Application Form Australian Dollars

This is an Application Form for Shares in Happy Valley Nutrition Limited under the General Offer on the terms set out in the Replacement Prospectus dated 22 November 2019. You may apply for a minimum of 10,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 4 December 2019.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Replacement Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Replacement Prospectus carefully before applying for Shares.

A Shares applied for

(minimum 10,000, thereafter in multiples of 500)

at Price per Share **A$0.20**

B Application Monies **A$**

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names) +

C

Applicant #1
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code
First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

E

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN

X +

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G Telephone Number where you can be contacted during Business Hours ( ) | Contact Name (PRINT)

Cheques or bank drafts should be made payable to **"Happy Valley Nutrition Limited"** in Australian currency and crossed "Not Negotiable".

H Cheque or Bank Draft Number | BSB - | Account Number

Total Amount **A$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 4 December 2019 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

HVM IPO001

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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Happy Valley Nutrition Limited Shares. Further details about the shares are contained in the Replacement Prospectus dated 22 November 2019 issued by Happy Valley Nutrition Limited. The Replacement Prospectus will expire 13 months after the date of this Replacement Prospectus. While the Replacement Prospectus is current, Happy Valley Nutrition Limited will send paper copies of the Replacement Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Replacement Prospectus. This Application Form is included in the Replacement Prospectus.

The Replacement Prospectus contains important information about investing in the Shares. You should read the Replacement Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Happy Valley Nutrition Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Happy Valley Nutrition Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Happy Valley Nutrition Limited's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to **"Happy Valley Nutrition Limited"** in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 4 December 2019 at:

Mailing Address
Happy Valley Nutrition Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery
Happy Valley Nutrition Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the General register in accordance with Chapter 2C of the *Corporations Act 2001.* For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding General holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

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Happy Valley Nutrition Limited

HAPPY VALLEY NUTRITION LIMITED

ARBN 636 597 101

Broker Code

Adviser Code

General Offer Application Form NZ Dollars

This is an Application Form for Shares in Happy Valley Nutrition Limited under the General Offer on the terms set out in the Replacement Prospectus dated 22 November 2019. You may apply for a minimum of 10,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (AEDT) on 4 December 2019.**

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Replacement Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Replacement Prospectus carefully before applying for Shares.

A Shares applied for

at Price per Share **A$0.20**

B Application Monies **NZ$**

(minimum 10,000, thereafter in multiples of 500, **IMPORTANT:** As you are applying in NZ dollars, please read point I on the back page)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names) +

C

Applicant #1
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code
First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

E

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F

CHESS HIN **X** +

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

G

Telephone Number where you can be contacted during Business Hours ( )

Contact Name (PRINT)

Cheques or bank drafts should be made payable to **"Happy Valley Nutrition Limited"** in Australian currency and crossed "Not Negotiable".

H

Cheque or Bank Draft Number

BSB -

Account Number

Total Amount **A$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (AEDT) on 4 December 2019 to:
Link Market Services Limited, PO Box 91976, Victoria Street West, Auckland 1142.

HVM IPO001

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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Happy Valley Nutrition Limited Shares. Further details about the shares are contained in the Replacement Prospectus dated 22 November 2019 issued by Happy Valley Nutrition Limited. The Replacement Prospectus will expire 13 months after the date of this Replacement Prospectus. While the Replacement Prospectus is current, Happy Valley Nutrition Limited will send paper copies of the Replacement Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Replacement Prospectus. This Application Form is included in the Replacement Prospectus.

The Replacement Prospectus contains important information about investing in the Shares. You should read the Replacement Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 500. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Happy Valley Nutrition Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from Happy Valley Nutrition Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Happy Valley Nutrition Limited's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to **"Happy Valley Nutrition Limited"** in New Zealand currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian or New Zealand bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

I The minimum Application size is A$2,000 (equivalent to 10,000 Shares in aggregate) at the IPO Offer Price of A$0.20 per share. Applicants who provide Application Monies less than the minimum application size of A$2,000 including due to exchange rate fluctuations will not be accepted and those Applicants will receive a refund. Interest will not be paid on any monies refunded. The exchange rate applied will be the Australian Dollar/New Zealand Dollar exchange rate published by the Reserve Bank of Australia at https://www.rba.gov.au/statistics/frequency/exchange-rates.html at 5:00pm Sydney time on the Closing Date. Where the Application Monies provided exceed the number of Shares applied for due to exchange rate fluctuations the Company will refund the excess amount. Interest will not be paid on any monies refunded. Where the Application Monies provided are less than the number of Shares applied for due to exchange rate fluctuations Applicants will be taken to have applied for such lower dollar amount of Shares as corresponds to the Application Monies provided.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEDT) on 4 December 2019 at:

Mailing Address
Happy Valley Nutrition Limited
C/- Link Market Services Limited
PO Box 91976
Victoria Street West
Auckland 1142

Hand Delivery
Happy Valley Nutrition Limited
Level 11
Deloitte Centre
80 Queen Street
Auckland

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the General register in accordance with Chapter 2C of the *Corporations Act 2001.* For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding General holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

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Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
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Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

For illustrative purposes only

Happy Valley Nutrition Limited

HAPPY VALLEY NUTRITION LIMITED
ARBN 636 597 101

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in Happy Valley Nutrition Limited under the Broker Firm Offer on the terms set out in the Replacement Prospectus dated 22 November 2019. You may apply for a minimum of 10,000 Shares and multiples of 500 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Replacement Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Replacement Prospectus carefully before applying for Shares.

A Shares applied for

at Price per Share **A$0.20**

B Application Monies A$

(minimum 10,000, thereafter in multiples of 500)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant #1
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D

TFN/ABN/Exemption Code
First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

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PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F

CHESS HIN
X

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G

Telephone Number where you can be contacted during Business Hours ( )

Contact Name (PRINT)

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H

Cheque or Bank Draft Number | BSB - | Account Number

Total Amount A$

LODGEMENT INSTRUCTIONS
You must return your application so it is received by your Broker by the deadline set out in their offer to you.

HVM BRO001

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H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

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Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Corporate Directory

Company
Happy Valley Nutrition Limited

Board of Directors
Ivan Hammerschlag – Non-Executive Chairman

David McCann – Non Executive Director

Randolph van der Burgh – Non Executive Director

Anthony Kahn – Non Executive Director

Company Secretary
Leanne Ralph

Registered Office
New Zealand
c/- VCFO Group Limited
96 St George Bay Road
Parnell Auckland 1052
New Zealand

Australia
Level 27, 25 Bligh Street
Sydney NSW 2000
Australia

Joint Lead Managers
Bell Potter Securities Limited
Level 38, 88 Phillip Street
Sydney NSW 2000

Shaw and Partners Limited
Level 7, 2 Chifley Square
Sydney NSW 2000
Australia

ASX Code
HVM

Australian Legal Adviser
K&L Gates
Level 31,
1 O'Connell Street
Sydney NSW 2000
Australia

New Zealand Legal Adviser
DLA Piper
205 Queen St
Auckland 1010
New Zealand

Investigating Accountant
HLB Mann Judd
Level 19, 207 Kent Street
Sydney NSW 2000
Australia

Share Registry
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Auditor
HLB Mann Judd
Level 6, 57 Symonds Street
Auckland 1010
New Zealand

For personal use only

For personal use only

Happy Valley
Nutrition Limited