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Australian Primary Hemp secures firm commitments to raise \$5.2 million under a Placement and launches Share Purchase Plan to raise \$1 million

20 January 2021

ASX Release

Highlights

- APH has received firm commitments to raise approximately \$5.2 million from strategic, institutional, and sophisticated investors
- Non-underwritten Share Purchase Plan to raise up to \$1 million to be offered to eligible shareholders to participate on the same terms as the Placement
- Funding will enable APH to accelerate its growth strategy and its ongoing transformation from an ingredient producer to become a branded, value-added health and wellness company

Melbourne, Australia; 20 January 2021: Australian Primary Hemp Ltd (ASX: APH) (“**APH**” or the “**Company**”), a producer, manufacturer, and distributor of premium plant-based health and wellness products, is pleased to announce that it has received firm commitments to raise approximately \$5.2 million (before costs) by way of a placement (“**Placement**”).

Approximately 16 million new fully paid ordinary shares in the Company (“**New Shares**”) will be issued under the Placement, which received strong support from new strategic investors and existing institutional and high net worth investors.

Proceeds of the Placement will enable APH to accelerate its growth strategy and its ongoing transformation from an ingredient producer to become a branded, value-added health and wellness company, and will fund:

- capital equipment purchases (milling equipment, de-huller upgrade, blending machinery, packaging automation, pelletiser, silos);
- strengthening of the balance sheet;
- marketing and sales costs; and
- general working capital requirements.

Commenting on the Placement, APH’s Managing Director and Chief Executive Officer, Neale Joseph, said, “We are highly encouraged by the level of support investors have shown for APH. I wish to thank our existing shareholders for their continued support of the Company and extend a welcome to the strategic shareholders joining the register as part of this placement.”

ASX Code: APH

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“There are significant tailwinds and growing consumer demand for high-quality, plant-based ‘superfoods’, particularly hemp-based products. This growing demand is reflected in the retail distribution agreements we have recently secured with Woolworths and 7-Eleven, which will see our Mt. Elephant brand of health and wellness products made available to consumers across Australia.”

Placement details

New Shares will be issued at \$0.32 per share (“**Issue Price**”), which represents a 15.8% discount to the last traded price (as at 15 January 2021), and an 8.9% discount to the 10-day Volume Weighted Average Price (“**VWAP**”) up to and including 15 January 2021.

New Shares will be issued under the Company’s available ASX listing rule 7.1 (8,586,987 shares) and 7.1A (7,613,013 shares) placement capacity and will rank pari passu with existing shares in the Company. Settlement of the Placement is expected to occur on or about Monday, 25 January 2021.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement and has been appointed as Corporate Advisor to the Company.

Share Purchase Plan (SPP) details

APH intends to offer the opportunity to all eligible shareholders of the Company as at 7:00pm AEDT (Australian Eastern Daylight Time) on Tuesday, 19 January 2021 (“**Record Date**”) with a registered address in Australia or New Zealand (“**Eligible Shareholders**”) to subscribe for up to \$30,000 of fully paid ordinary shares in a non-underwritten Share Purchase Plan (“**SPP Shares**”), to raise up to \$1 million.

Shares under the SPP will be offered at a fixed price of \$0.32 per share, being the same price as the Issue Price under the Placement.

The Company reserves the right to scale back applications under the SPP at its absolute discretion. The Company may decide to accept applications (in whole or in part) in its absolute discretion. SPP Shares will rank equally with the Company’s existing ordinary shares on issue. No brokerage or commissions are payable in respect of subscribing for shares under the SPP.

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The offer under the SPP will be made on the basis of the information contained in the Share Purchase Plan offer booklet (“**SPP Offer Booklet**”), which will be dispatched to Eligible Shareholders on or around Wednesday, 27 January 2021 and made available following its lodgement with ASX. Any Eligible Shareholder who wishes to participate in the SPP should consider the SPP Offer Booklet before deciding whether to apply for Shares under that plan and any such application must be made in accordance with, and pursuant to the terms and conditions set out in the SPP Offer Booklet. The SPP is proposed to open on Wednesday, 27 January 2021, and is scheduled to close at 5pm AEDT on Wednesday, 10 February 2021. Participation in the SPP will be open to all eligible shareholders.

Timetable of key dates

Below is an indicative timetable the Placement and SPP:

Event	Time / Date
Trading Halt	Monday, 18 January 2021
SPP Record Date	7:00pm AEDT Tuesday, 19 January 2021
Return to trade and ASX Announcement of the Placement and SPP	Wednesday, 20 January 2021
Settlement of New Shares	Monday, 25 January 2021
Allotment and normal trading of New Shares	Wednesday, 27 January 2021
SPP offer period opens and SPP Offer Booklet dispatched	Wednesday, 27 January 2021
SPP offer period closes	Wednesday, 10 February 2021
Announcement of result of SPP	Monday, 15 February 2021
SPP allotment date	Wednesday, 17 February 2021
Expected Date of ASX Quotation of SPP Shares	Thursday, 18 February 2021

Note: All dates and times are indicative and APH reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.



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ENDS

About Australian Primary Hemp

Australian Primary Hemp Limited (“**APH**”) is a vertically integrated business which produces, manufactures, and distributes a range of hemp products under the APH brand, to retail, wholesale, and white label customers in Australia. APH engages across the hemp value chain, encompassing hemp seed selection, farming, processing, packaging as well as distribution and sales of bulk and retail products.

Authorised on behalf of the APH Board of Directors by:

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