

24 October 2017

## NOTICE UNDER SECTION 708AA(2)(f) of *Corporations Act 2001* (Cth)

Avenira Limited (**Company**) has today announced that it is proposing to despatch to eligible shareholders an offer document (**Offer Document**) in respect of a renounceable pro rata entitlement offer of up to approximately 270,726,018 shares (**New Shares**) each at an issue price of \$0.048 to raise approximately \$13 million (before costs) on the basis of 9 New Shares for every 20 shares held on the record date of 27 October 2017 (**Record Date**) (**Entitlement Offer**).

The Company hereby gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) that:

- (a) the Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) as at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - (B) the rights and liabilities attaching to the New Shares; and
- (e) the potential effect that the issue of the New Shares, under the Entitlement Offer, will have on the control of the Company, and the consequences of that effect is as follows:
  - (i) if all eligible shareholders take up their entitlements under the Entitlement Offer, the issue of the New Shares under the Entitlement Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the

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FOR FURTHER INFORMATION:

**Mr Louis Calvarin**

Managing Director and CEO, Avenira Limited

**Mr Rod Wheatley**

CFO and Company Secretary, Avenira Limited



Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Entitlement Offer;

- (ii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Entitlement Offer and ineligible shareholders unable to participate in the Entitlement Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement;
- (iii) the proportional interests of shareholders with an address outside of Australia, New Zealand, Egypt and Lebanon and shareholders in the United Arab Emirates, United Kingdom, Greece, United States and Panama where the Entitlement Offer falls within a security offer exception applicable to those shareholders in that jurisdiction, will be diluted because such shareholders are not entitled to participate in the Entitlement Offer; and
- (iv) the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may increase the voting power of the shareholders who may be allocated New Shares via the shortfall offer and the voting power of the Agrifos Group, Agrifields DMCC and Tablo Corporation (**Substantial Shareholders**).

The following tables show the number of shares and approximate voting power of the Substantial Shareholders after completion of the Entitlement Offer and the placement offer detailed in the Offer Document, assuming different levels of acceptances in the Entitlement Offer by eligible shareholders and that no eligible shareholders or other investors apply for additional shares under the shortfall offer.

#### Entitlement Offer is fully subscribed (no Shortfall)

Shareholder	Date of Offer Document		Entitlement Offer is fully subscribed		Entitlement Offer is fully subscribed and Placement Offer is conducted	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
Agrifos	148,861,475	24.7%	215,849,139	24.7%	215,849,139	23.6%
Tablo	104,750,000	17.4%	151,887,500	17.4%	151,887,500	16.6%
Agrifields	22,512,506	3.7%	32,643,134	3.7%	74,309,800	8.1%
JP Morgan	30,720,875	5.1%	44,545,269	5.1%	44,545,269	4.9%
Others	294,768,517	49.0%	427,414,350	49.0%	427,414,350	46.8%
<b>Total</b>	<b>601,613,373</b>	<b>100.0%</b>	<b>872,339,391</b>	<b>100.0%</b>	<b>914,006,058</b>	<b>100.0%</b>

#### Entitlement Offer is not fully subscribed (various levels of Shortfall)(1)(2)



Shareholder	75% acceptance of Entitlements		50% acceptance of Entitlements		25% acceptance of Entitlements		0% acceptance of Entitlements	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
Agrifos Group	207,194,808	22.8%	207,194,808	23.7%	207,194,808	23.8%	207,194,808	24.1%
Tablo	192,250,000	21.1%	192,250,000	22.0%	192,250,000	22.0%	192,250,000	22.4%
Agrifields	74,309,800	8.2%	74,309,800	8.5%	107,599,450	12.3%	129,518,134	15.1%
JP Morgan <sup>(5)</sup>	41,089,170	4.5%	37,633,072	4.3%	34,176,973	3.9%	30,720,875	3.6%

**Notes:**

1. In calculating the potential outcomes above, the Company has assumed that approximately 7,371,068 Shares (approximately 1.22% of the total Shares on issue at the date of this Offer Document) are held by Ineligible Shareholders. These Entitlements will be sold by the Nominee and therefore any New Shares the subject of those entitlements are excluded from any Shortfall that the Underwriters may be required to underwrite. The actual number of Shares held by Ineligible Shareholders may vary at the Record Date.
2. The above outcomes are based on Tablo, Agrifields and Mrs Vineeta Gupta subscribing for their full Entitlement, and assumes Agrifos only subscribes up to its currently committed subscription amount of A\$2.8 million, except for the scenarios where the Entitlement Offer is fully subscribed, in which case it is assumed Agrifos subscribes for its full Entitlement.
3. The above outcomes assume that all Placement Shares under the Placement Offer will be subscribed by Agrifields. The number of Placement Shares subscribed by Agrifields will depend on the amount of the Entitlement Offer underwritten by Agrifields (refer to Section 4.1 of the Offer Document) and whether other investors subscribe for Placement Shares under the Placement Offer.
4. If there is 0% acceptances of Entitlements, Tablo and Agrifields will be required to underwrite up to their full underwriting commitment. The combined underwriting commitments of Tablo and Agrifields is not sufficient to fully underwrite the Entitlement Offer. Accordingly, a residual shortfall of approximately 13.6 million New Shares will not be issued.
5. JP Morgan is being treated the same as all other Shareholders, i.e that they will be diluted in accordance with taking up 75%/50%/25%/0% of their entitlement.
6. Capitalised terms in the Notes above have the meanings given in the Offer Document.

If eligible shareholders and investors (other than the Substantial Shareholders) take up shares under the shortfall offer, the proportion of New Shares that the Substantial Shareholders will hold will decrease by the proportion of shares taken up under the shortfall offer.

The consequences of these changes in voting power of the Substantial Shareholder may be to:

- A. dissuade potential acquirers of the Company from making a takeover offer in the future which may adversely affect the Company's share price and reduce the opportunity for shareholders to receive a takeover premium in the future; and
- B. lower the free float of the Company's shares (on a proportional basis), which may reduce liquidity and adversely affect the market value of the shares.

Further details regarding the Entitlement Offer are set out in the Offer Document released with this notice and which will be mailed to eligible shareholders.



Signed for and on behalf of Avenira Limited:

A handwritten signature in blue ink, appearing to read 'Calvin' or similar, with a large, sweeping initial 'C'.

Louis Galvarin

Managing Director and CEO