

30 June 2026

Synlait finalises refinancing and advises changes to balance date

Synlait Milk Limited (Synlait) advises that it has entered into documentation to give effect to its planned bank refinancing and new shareholder loan.

Synlait's new banking syndicate is made up of ANZ Bank, China Construction Bank, Bank of China, Shanghai Rural Commercial Bank, HSBC, China Merchants Bank, Bank of Communications, Industrial Commercial Bank of China, and Bank of Beijing.

The new bank funding arrangements total NZ\$320 million and are made up of:

- a secured overdraft facility of NZ\$15 million.
- secured seasonal working capital (revolving credit) facilities totalling NZ\$146 million.
- secured term loan facilities totalling NZ\$119 million.
- a secured revolving credit NZD/CNH facility of NZ\$15 million.
- a secured term loan NZD/CNH facility of NZ\$25 million.

The seasonal working capital facilities, one of the term loan facilities and both NZD/CNH facilities mature on 30 June 2027 and include an option which can be exercised by the relevant lenders to extend the applicable facility by a further three months. Another term loan facility matures on the date that is 12 months after the first drawdown and is subject to the same extension option. The remaining secured term loan facilities will mature on the date that is 12 months after the first drawdown. The secured overdraft facility is an on-demand facility.

The aggregate limits under the seasonal working capital facilities will step-down to NZ\$86 million on 1 March 2027 and to NZ\$26 million on 1 June 2027.¹

The new facilities are subject only to the satisfaction of customary conditions precedent, which are expected to be satisfied on or before 30 June 2026.

The key financial covenants are:

- A net senior leverage ratio of 3.0x. This will be first tested on 30 June 2027 (see below regarding the change to Synlait's balance date).²
- A working capital ratio of 1.50x for the period to 28 February 2027 and 1.75x thereafter. This is an "at all times" covenant.³
- An interest cover ratio of 2.5x for each quarter to (and including) 30 June 2027 (and 3.0x thereafter).⁴
- Shareholders' Funds to always exceed \$450 million.

In addition, Synlait is subject to quarterly minimum EBITDA milestones.

¹ This means that, as of 1 March 2027, the aggregate commitments would be NZ \$260 million and, as of 1 June 2027, the aggregate facilities limit would be \$200 million.

² In broad terms, the net senior leverage ratio is the ratio of (a) the total borrowed money and lease liabilities of the guaranteeing group (excluding the Bright Shareholder Loan), less any cash held with a lender or cash equivalents and (b) EBITDA.

³ In broad terms, the working capital ratio is the ratio of (a) the aggregate value of inventory and debtors of the guaranteeing group (after making certain adjustments) to (b) the aggregate of the amount outstanding under the facilities referred to above (and any other transactional facilities), less any credit balances held on deposit in an account of the guaranteeing group held with a lender.

⁴ EBITDA to net interest expense (excluding interest relating to the new shareholder loan).



Shareholder Loan

As signalled earlier in the month, Synlait has now entered into the replacement \$130 million shareholder loan agreement with Bright Dairy International Investment Limited. For further information about the replacement \$130 million shareholder loan, including a summary of its terms, please see Synlait's 8 June 2026 announcement⁵.

Synlait has obtained a waiver from NZX Listing Rule 5.2.1 in relation to the entry into and performance of this shareholder loan. A copy of the Directors' Certificate provided by each of the company's non-interested directors (George Adams, Independent Director and Chair, Katherine Turner, Independent Director and Leon Fung, Director and Acting Chief Executive) to NZX Regulation Limited is attached.

Repayment of the old Bright shareholder loan and drawdown of the replacement Bright shareholder loan is expected to occur early in July 2026, after the bank refinancing is completed.

Change to balance date

Synlait also advises that the Board of Directors has resolved to change Synlait's balance date for financial reporting purposes from 31 July to 31 December.

The change is being made to align Synlait's balance date with that of Bright Dairy & Food Co., Ltd.

Synlait's next balance date will remain 31 July 2026, the next financial reporting period after that will be a five-month transitional period from 1 August 2026 to 31 December 2026. Thereafter, Synlait's financial reporting periods will be for a full twelve months ending on 31 December each year.

Synlait's audited financial statements for the five-month period to 31 December 2026 will include comparative figures for the five-month period to 31 December 2025. The company is currently working through the approach to reporting for this transitional period and will update the market once final decisions are made.

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⁵ <https://www.nzx.com/announcements/473991>