

24 November 2021

CHAIR ADDRESS FOR ANNUAL MEETING

It was my privilege to be asked to join the Board and assume the Chair role from 1 November this year, taking over from Richard Perry who had been Chair since mid-2020.

Before addressing you today, I would like to acknowledge the contribution of Richard as a director.

Whilst I was not around at the time, I am told that Richard was a valuable contributor to both the Allied and NZ Farmers Livestock Boards, and we were able to tap into his breadth of experience and expertise in the agricultural, technology and innovation sectors. Importantly, Richard was a driving force in the decision to acquire a 50% interest in NZ Rural Land Management, which has proven to be very successful.

I would also like to acknowledge Marise James, who stepped into the role as interim chair ahead of my appointment, and is not seeking re-election as a director at this meeting. Philip Luscombe will say more about Marise later in the meeting.

One of the reasons I agreed to accept the role of Chair of Allied is that I can see the breadth of opportunity in front of us. In its recent history, Allied has been on a long and complex journey of recovery from the impact of the GFC on its finance company assets that decimated value for shareholders. Back then, it was all about survival. Today, it has re-established itself as an investor in rural focused businesses with a strong balance sheet and a focus on building value for its shareholders.

The foundations for Allied's recovery were built on the contribution from NZ Farmers Livestock. This has enabled Allied in recent years to shake-off its survival culture to the point of having confidence and strength to consider a transformational investment. The investment in NZ Rural Land Management (NZRLM,) the Manager of NZX-listed New Zealand Rural Land Company has not only enabled earnings diversification and growth, it has attracted a new breed of investors who believe in the refreshed Allied story and the people driving it.

Allied has just begun the next stage of its journey to become an earnings growth story. With careful oversight of our investments, improving earnings per share, a strong and supportive investor base, and a team of people who can execute on opportunities to grow intrinsic value, I am confident and excited to be here. There are significant opportunities which will open up for us over the medium term.

The Board has decided to not pay a dividend for the FY21 financial year. We strongly believe that in the short term, retaining and redeploying earnings is in shareholders' best interests. In this regard, as you will know, next year the Independent Directors will need to consider whether Allied wishes to recommend calling its option to acquire the 50% of NZ Rural Land Management it does not already own. We would like to be able to maintain financial flexibility in our funding options – cash or shares, or a combination of both - in the event we determine to make that recommendation to shareholders.

Allied's renewed focus has also led the Board to consider the ongoing need for the role of an Allied Chief Executive. Currently, this role has been performed in a part time capacity - 10 percent of time allocation - by Steve Morrison, our NZ Farmers Livestock Chief Executive. Steve has agreed to step down from his Allied CEO role with effect from today. Allied's Directors, Company Secretary, and Group CFO will pick up the work previously contributed by Steve. Importantly, this will allow Steve, as the NZ Farmers Livestock CEO, to focus full time on its growth in both market share and profitability.

As you will have seen from the 2021 Annual Report, Allied's audited net profit after tax attributable to Allied's shareholders was \$2.021 million, which was a significant increase from the previous year.

Chris Swasbrook will provide detail on this in his presentation, but clearly this was an outstanding result reflective of the inaugural profit contribution by NZRLM after the sizeable land acquisitions prior to 30 June 2021 by New Zealand Rural Land Company. It is pleasing to see this momentum has continued into the new financial year with New Zealand Rural Land Company completing \$61m of new acquisitions on 10 November 2021 as announced to the NZX.

On behalf of the Board, I wish to thank and acknowledge the efforts of our NZFL and NZRLM teams over the last year and I look forward to our shared journey ahead.

Mark Franklin

Chair