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Market Statement 14 June 2021

LIC completes divestment of automation business

Livestock Improvement Corporation (NZX: LIC) confirms it has completed the divestment of its automation business (NZX announcement, 8 June 2021) to MSD Animal Health, a division of Merck & Co., Inc., Kenilworth, N.J., USA (NYSE:MRK) on Friday 11 June 2021.

ENDS

Contact

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About LIC

LIC is a farmer-owned co-operative and world leader in pasture based dairy genetics and herd management. LIC exists to deliver superior genetics and technological innovation to help its shareholders sustainably farm a profitable animal. With origins dating back to 1909, LIC has a long history of developing and delivering world-leading innovations for the dairy industry. The co-op continues to be one of the sector's biggest private investors in research and development. Today the New Zealand-based co-op employs more than 700 permanent staff, swelling to 2000 during the spring peak dairy mating season. LIC also has offices in the United Kingdom, Ireland and Australia. All LIC profit is returned to its farmer owners/shareholders in dividends, or reinvested for new solutions, research and development. www.lic.co.nz

About LIC Automation

LIC Automation, owned by LIC, manufactures and supplies integrated herd management systems and unique milk testing sensors for the dairy industry. Automation is an important part of farm performance and herd management, to help dairy farmers improve prosperity and productivity. The innovative in-shed systems, known as Protrack, simplify complex jobs and improve decision making on-farm, to deliver improved herd management, animal health and welfare, real-time milk analysis, increased labour efficiency and profit. The proprietary technology identifies each cow in the milking herd from their ear tags to provide automated drafting, heat detection, body condition scoring and targeted feeding. The systems also enable real-time animal recording and review, individual cow alerts and live analysis through milk testing sensors that measure fat, protein, somatic cell counts, lactose, conductivity and volume while a cow is being milked. The first Protrack system was installed on a New Zealand dairy farm in 2004. Today, more than 2500 NZ dairy farms benefit from this state of the art technology. LIC Automation was formed in 2015, to amalgamate the co-op's automation solutions into a single entity. It currently employs 45 people in sales, R&D and software development roles.

About MSD Animal Health

For more than a century, Merck, a leading global biopharmaceutical company, has been inventing for life, bringing forward medicines and vaccines for many of the world's most challenging diseases. Merck Animal Health, a division of Merck & Co., Inc., Kenilworth, N.J., USA, is the global animal health business unit of Merck. Through its commitment to The Science of Healthier Animals®, Merck Animal Health offers veterinarians, farmers, pet owners and governments one of the widest ranges of veterinary pharmaceuticals, vaccines and health management solutions and services as well as an extensive suite of digitally connected identification, traceability and monitoring products. Merck Animal Health is dedicated to preserving and improving the health, well-being and performance of animals and the people who care for them. It invests extensively in dynamic and comprehensive R&D resources and a modern, global supply chain. Merck Animal Health is present in more than 50 countries, while its products are available in some 150 markets. For more information, visit www.merck-animal-health.com or connect with us on LinkedIn, Facebook, and Twitter at @MerckAH.