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## Allied Farmers Limited

### Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of Allied Farmers Limited (“**ALF**” or the “**Company**”) will be held at 11:00am on Thursday, 6 November 2025 via the MUFG Pension & Market Services Virtual Meeting Platform (“**Meeting**”). The Meeting will be an online-only meeting, meaning that Shareholders will not be able to attend the meeting in person, but will be able to:

- attend and participate at the meeting virtually via the MUFG Pension & Market Services Virtual Meeting Platform provided by the Company’s share registrar, MUFG Pension & Market Services, at [www.virtualmeeting.co.nz/alf25](http://www.virtualmeeting.co.nz/alf25); or
- participate in the meeting by proxy.

Further details on how to participate online are set out in this Notice of Meeting and the Virtual Meeting Guide filed on the market announcement platform of the NZX and available on the Company’s website ([www.alliedfarmers.co.nz](http://www.alliedfarmers.co.nz)).

The Board has determined that, due to the very low level of Shareholder turnout at previous in-person meetings, the additional costs of holding an in-person or hybrid meeting significantly outweigh the potential benefits. The Board appreciates the support and understanding of our Shareholders regarding these arrangements and encourages all Shareholders to participate in the Meeting online and ask any questions either ahead of time (see details below) or during the Meeting online.

#### ITEMS OF BUSINESS

##### A. Chair’s Introduction

##### B. Addresses to Shareholders

##### C. Resolutions

To consider, and if thought fit, to pass the following ordinary resolutions:

1. **Resolution 1: Auditor’s Remuneration**

“That the Directors be authorised to fix the fees and expenses of the Company’s auditor, BDO Auckland, for the ensuing year.”

*Refer to Explanatory Note 1 on page 5 for further details on this Resolution.*

2. **Resolution 2: Appointment of Shelley Ruha**

“That Shelley Ruha, who will retire at the meeting by rotation in accordance with the Company’s constitution, and is eligible for re-election, be re-elected as a Director of the Company.”

*Refer to Explanatory Note 2 on page 5 for further details on this Resolution.*

3. **Resolution 3: Appointment of Philip Luscombe**

“That Philip Luscombe, who will retire at the meeting by rotation in accordance with the Company’s constitution, and is eligible for re-election, be re-elected as a Director of the Company.”

*Refer to Explanatory Note 2 on page 5 for further details on this Resolution.*

4. **Resolution 4: Sale of Shares in NZ Farmers Livestock Limited**

“That the sale of all of the shares in NZ Farmers Livestock Limited held by the Company’s wholly owned subsidiary Allied Farmers Rural Limited for approximately \$7.45 million (subject to certain post-completion adjustments), under a sale and purchase agreement dated 27 August 2025 between, amongst others, the Company, Allied Farmers Rural Limited and Rural Livestock Limited (the “**Transaction**”), as described in more detail in the Explanatory Notes, be ratified, confirmed and approved for all purposes, including for the purposes of Rules 5.1.1(a) and 5.2.1 of the NZX Listing Rules.”

*Refer to Explanatory Note 3 on page 6 for further details on this Resolution.*

**D. Shareholder Questions**

To consider any other matters that may properly be brought before the Meeting.

By Order of the Board of Directors

Shelley Ruha  
Chair, Allied Farmers Limited

## PROCEDURAL NOTES

### Voting Entitlements

Voting entitlements of the Meeting will be determined with reference to the Company's share register as at 5:00pm on 4 November 2025 ("**Record Date**"). Only those persons who are registered Shareholders on the Record Date will be entitled to attend and vote at the Meeting.

Voting on all of the Resolutions will be by way of poll, meaning that each shareholder has one vote for each ordinary share held by that shareholder.

### Online Meeting

All Shareholders will have the opportunity to attend and participate in the Meeting online via an internet connection using the Virtual Meeting Platform at [www.virtualmeeting.co.nz/alf25](http://www.virtualmeeting.co.nz/alf25). Shareholders will require a CSN/Holder Number for verification purposes. Shareholders attending and participating in the Meeting will be able to vote and ask questions during the Meeting. The Company strongly recommends that shareholders log in to the online portal at least 15 minutes prior to the scheduled start time for the meeting.

More information regarding online attendance at the Meeting (including how to vote and ask questions during the Meeting) is available in the Virtual Meeting Guide, which is available at:

[https://mail.cm.mpms.mufig.com/MUFG/MUFG\\_VirtualMeetingGuide.pdf](https://mail.cm.mpms.mufig.com/MUFG/MUFG_VirtualMeetingGuide.pdf)

The Company also offers the facility for Shareholders to submit questions to the Board in advance of the Meeting at <https://nz.investorcentre.mpms.mufig.com/voting/ALF>, or by using the Voting Form.

### Proxy Vote

Shareholders may attend online and vote at the Meeting or may appoint a proxy (who need not be a Shareholder) to attend online and vote on their behalf by completing and returning the enclosed Voting Form. If you return the Voting Form without directing the proxy how to vote on any particular matter, the proxy may vote as he/she thinks fit or abstain from voting.

Shelley Ruha, as Chair of the Meeting, is willing to act as proxy for any Shareholder who may wish to appoint her for that purpose, and she intends to vote in favour of the Resolutions where she is given a "Proxy Discretion". All Shareholders wishing to appoint the Chair as proxy should clearly indicate on their Voting Form whether they wish to direct the Chair to vote for or against, or to abstain from voting on, the Resolutions.

If you do not name a person as your proxy (but have completed the Voting Form in full) or your named proxy does not attend the meeting, the Chair will be appointed your proxy and will vote in accordance with your express direction (and must not vote on a resolution if expressly granted a discretion on how to vote on a resolution and such resolution is subject to a voting restriction that applies to the proxy under NZX Listing Rule 6.3.1).

A company that is a Shareholder may appoint a representative to attend the Meeting on its behalf in the same manner as it may appoint a proxy.

Shareholders wishing to appoint a proxy (or representative) must complete and send the Voting Form so that it is received by MUFG Pension & Market Services no later than 11:00am on 4 November 2025.

To appoint your proxy and vote please go to the MUFG Pension & Market Services website at:

<https://nz.investorcentre.mpms.mufig.com/voting/ALF>.

You will require your CSN/Holder number to successfully validate your holding. Follow the prompts if you wish to appoint a proxy and, if desired, to provide voting instructions to your proxy. A Shareholder will be taken to have signed the Voting Form by lodging it in accordance with the instructions on the website.

Alternatively, please complete and sign the enclosed Voting Form and return it in one of the following manners:

**Scan & email:** [meetings.nz@cm.mpms.mufg.com](mailto:meetings.nz@cm.mpms.mufg.com)

**Deliver:** MUFG Pension & Market Services, Level 30 PwC Tower, 15 Customs Street West, Auckland, New Zealand.

**Mail:** If mailing from within New Zealand, please place in the reply-paid envelope provided. If mailing from outside New Zealand please place in the pre-addressed envelope, affix the postage from the country of mailing and post to MUFG Pension & Market Services, PO Box 91976, Victoria Street West, Auckland 1142, New Zealand.

### **Ordinary Resolutions**

Each Resolution is an ordinary resolution. An ordinary resolution is a resolution approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the resolution in person or by proxy.

Each Resolution is independent of any other Resolution being passed.

### **Voting Restrictions**

In accordance with NZX Listing Rule 6.3.1, Stockmans Holdings Limited, Agent Company Limited and any “Associated Person” (as defined in the NZX Listing Rules) of either Stockmans Holdings Limited or Agent Company Limited are not entitled to vote in favour of Resolution 4.

### **Shareholder questions**

Shareholders attending the Meeting online will be given the opportunity to raise questions during the Meeting. Shareholders may also submit written questions on the bottom of the Voting Form.

Alternatively written questions can be sent:

- online at <https://nz.investorcentre.mpms.mufg.com/voting/ALF>; or
- by email to [meetings.nz@cm.mpms.mufg.com](mailto:meetings.nz@cm.mpms.mufg.com).

### **NZX Review**

This Notice of Meeting has been reviewed by NZX Regulation Limited (“**NZ RegCo**”) in accordance with NZX Listing Rule 7.1 and NZ RegCo has confirmed it does not object to this Notice. NZ RegCo does not take any responsibility for any statement in this Notice.

## EXPLANATORY NOTES

### EXPLANATORY NOTE 1 - AUDITOR'S REMUNERATION

BDO Auckland, the current auditor of the Company, will be automatically reappointed under section 207T of the Companies Act 1993. Resolution 1 authorises the Directors to fix the fees and expenses of BDO Auckland as the Company's auditor in accordance with section 207S of the Companies Act 1993.

### EXPLANATORY NOTE 2 - DIRECTOR RE-ELECTIONS

Under the Company's constitution and NZX Listing Rule 2.7.1, a Director must not hold office (without re-election) past the third annual meeting following the Director's appointment or three years, whichever is longer. Accordingly, Independent Director and Chair Shelley Ruha and Independent Director Philip Luscombe will retire from their office as Directors of the Company at the meeting and offers themselves for re-election.

The Company will review its Board succession plan during FY25. The review will include an assessment of the current Board composition as it relates to the changing needs of the business, ensure that appropriate director independence is maintained, and that any outcomes are transitional to ensure important knowledge is effectively transferred.

#### Background on Shelley Ruha

Shelley was appointed a Director of the Company in November 2022, and Chair in April 2023. Shelley is a director and investor of companies across a variety of industries. She is also the board chair of NZX listed PaySauce Limited, and is a director of Heartland Bank Limited, Partners Life Limited, and 9 Spokes International Limited. Shelley's previous directorships include Hobson Wealth Limited, Paymark Limited, JB Were Limited and The Icehouse. Shelley has a Bachelor of Commerce.

The Board has determined that Shelley is an Independent Director under the NZX Listing Rules and for the purposes of NZX Listing Rule 7.8.3(b), none of the factors in Table 2.4 of the NZX Corporate Governance Code apply. The Board unanimously supports her re-election.

#### Background on Philip Luscombe

Philip was appointed a Director of the Company in December 2005 and is Chair of New Zealand Farmers Livestock Limited. As a former agricultural research scientist, and with a broad farming background, Philip has extensive experience in the agricultural sector. Philip is the board chair and a shareholder of the Argyll Dairy Farm group of farms in Otago. He is also an independent director of Te Rua O Te Moko Limited and a former director of PKW Farms Limited, Kiwi Cooperative Dairies Limited, Kiwi Milk Products Limited, Dairy Insight, Dexcel, and NZAEL Limited. Philip has a BAgSci(Hons).

The Board has determined that Philip is an Independent Director under the NZX Listing Rules. For the purposes of NZX Listing Rule 7.8.3(b), factor 9 in Table 2.4 of the NZX Corporate Governance Code applies to Philip, as he has been a director of the Company for a period of more than 12 years. However, the Board has determined that Philip's tenure does not directly or indirectly interfere, nor might reasonably interfere, with his capacity to bring an independent view to decisions in relation to the issuer and to act in the best interests of the Company and to represent the interests of Shareholders generally.

The Board considers that Philip's extended tenure provides significant value to the Company. Philip brings not only deep institutional knowledge and long-standing relationships, but also skill and understanding of the Company's operations, strategy and governance. During his tenure, Philip has not demonstrated any undue influence over management. The Company's Managing Director's primary relationship and point of

communication is with the Company's Independent Chair (Shelley Ruha), and Philip does not involve himself in matters beyond what would reasonably be required or expected of an Independent Director. None of the other factors in Table 2.4 of the NZX Corporate Governance Code apply to Philip.

The Board unanimously supports his re-election.

### EXPLANATORY NOTE 3 - SALE OF SHARES IN NZ FARMERS LIVESTOCK

Allied Farmers Rural Limited ("**AFRL**"), a wholly owned subsidiary of the Company, has agreed to sell all of its shares in NZ Farmers Livestock Limited ("**NZFL**") to Rural Livestock Limited ("**RLL**") for approximately \$7.45 million (subject to certain post-completion adjustments), under an agreement for sale and purchase of shares dated 27 August 2025 ("**Agreement**") (the "**Transaction**"). The other two shareholders in NZFL, Stockmans Holdings Limited ("**Stockmans**") and Agent Company Limited ("**AgentCo**"), have also agreed to sell all of their NZFL shares to RLL under the Agreement.

Completion of the Transaction is conditional, among other things (as detailed below), on approval by the Company's shareholders by way of an ordinary resolution in accordance with Rules 5.1.1(a) and 5.2.1 of the NZX Listing Rules (the "**Shareholder Approval Condition**"). This approval is being sought from shareholders at this Meeting.

#### Recommendation of the Board

The Board unanimously recommends the Transaction and associated matters to shareholders for approval and encourages all shareholders to vote in favour of the Resolution. In the Board's view, the Transaction is in the best interests of the Company and its shareholders. The Directors intend to vote all shares in the Company held or controlled by them in favour of Resolution 4.

#### Listing Rule Requirements

##### *Major transaction*

Under NZX Listing Rule 5.1.1, a listed issuer must obtain shareholder approval for a transaction to acquire, sell, lease or dispose of assets where the transaction: (a) would significantly change the nature of the issuer's business; or (b) involves a "Gross Value" above 50% of the issuer's "Average Market Capitalisation" (each as defined in the NZX Listing Rules).

The Company is a conglomerate entity that conducts different businesses with different characteristics in the rural sector. The Transaction will not change the conglomerate character of the Company's rural business activities. However, as the Company's investment in NZFL is one of its two current principal investments, and the Transaction contemplates the disposal of that entire investment, the Company considers that it is appropriate for the Company to seek shareholder approval for the Transaction under Rule 5.1.1(a) to ensure that shareholders have the opportunity to vote on whether to proceed with the Transaction in the context of NZFL being a principal investment. Accordingly, shareholder approval for the Transaction by ordinary resolution is being sought under NZX Listing Rule 5.1.1(a). An ordinary resolution is a resolution which must be approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.

The Gross Value of the assets that are subject to the Transaction do not exceed 50% of the Company's Average Market Capitalisation and, therefore, shareholder approval by ordinary resolution is not required under NZX Listing Rule 5.1.1(b).<sup>1</sup>

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<sup>1</sup> The Company's Average Market Capitalisation as at 15 October 2025, being the latest practical date prior to the printing of the Notice of Meeting was approximately \$21.75 million.

It is also noted that shareholder approval under section 129 of the Companies Act 1993 (a “major transaction”) is not required, as the assets that are subject to the Transaction being contemplated do not exceed more than half the value of the Company’s assets before the disposition and the Company is not incurring obligations or liabilities, including contingent liabilities, the value which is more than half the value of the Company’s assets before the transaction.

#### *Material Transaction with Related Parties*

Under NZX Listing Rule 5.2.1, a listed issuer must not enter into a “Material Transaction” if a “Related Party” (each as defined in the NZX Listing Rules) is, or is likely to, become (a) a direct party to the Material Transaction or (b) a beneficiary of a guarantee or other transaction which is a Material Transaction, unless that Material Transaction is approved by an ordinary resolution of the issuer or conditional on such approval.

Under the NZX Listing Rules, a Material Transaction includes a transaction or series of transactions whereby the Company sells assets having an “Aggregate Net Value” (as defined in the NZX Listing Rules) above 10% of the Company’s Average Market Capitalisation.

As at the close of business on 15 October 2025 (being the latest practical date prior to the printing of the Notice of Meeting), the Company’s Average Market Capitalisation was approximately \$21.75 million. The Average Net Value of the assets to be sold under the Transaction is \$10.988 million (subject to certain post-completion adjustments), which exceeds 10% of the Company’s Average Market Capitalisation. Each of Stockmans and AgentCo are direct parties to the Agreement and are Related Parties of the Company because each share common directors with NZFL, a subsidiary of the Company (being Oliver Carruthers and William Sweeney, each of whom are directors of NZFL, Stockmans and AgentCo, and Simon Williams, who is a director of NZFL and AgentCo)<sup>2,3</sup>. As a result, the Transaction constitutes the entry by the Company into a Material Transaction with Related Parties.

Accordingly, shareholder approval for the Transaction by ordinary resolution is being sought under NZX Listing Rule 5.2.1.

#### *Appraisal Report*

This Notice of Meeting is accompanied by an appraisal report prepared by Simmons Corporate Finance (the “**Appraisal Report**”).

The Appraisal Report is required by NZX Listing Rule 7.8.8(b), which requires that a notice of meeting to approve the entry into a Material Transaction with a Related Party who is, or is likely to become, a direct party to the Material Transaction, be accompanied by an appraisal report. The appraisal report must state the independent appraiser’s opinion, with supporting reasons, as to whether the Material Transaction is fair to shareholders, other than those associated with the relevant ‘Associated Persons’.

Consistent with the above, the Appraisal Report contains Simmons Corporate Finance’s conclusion that the terms and conditions of the Transaction are fair to shareholders who are not associated with Stockmans and AgentCo (see section 2 of the Appraisal Report).

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<sup>2</sup> Mr Sweeney is an alternate director of NZFL, which is a Director of NZFL within the meaning of the NZX Listing Rules.

<sup>3</sup> Under the NZX Listing Rules, the directors of Stockmans are Associated Persons of that company (and vice versa), and the directors of AgentCo are Associated Persons of that company (and vice versa). Accordingly, Stockmans is an Associated Person of Oliver Carruthers and William Sweeney, and AgentCo is an Associated Person of Oliver Carruthers, William Sweeney and Simon Williams. Each of Messrs Carruthers, Sweeney and Williams are Related Parties of the Company under the NZX Listing Rules as directors of a subsidiary of the Company (NZFL), and each of Stockmans and AgentCo are Related Parties of the Company under the NZX Listing Rules as Associated Persons of directors of a subsidiary of the Company.

In Simmons Corporate Finance's opinion, after having regard to all relevant factors, the consideration and the terms and conditions of the Transaction are fair to shareholders who are not associated with Stockmans and AgentCo as:

- Allied Farmers (via AFRL), Stockmans and AgentCo have each entered into the Transaction on identical terms and accordingly there is no value transfer from shareholders who are not associated with Stockmans and AgentCo to Related Parties;
- Related Parties were not involved in negotiating the terms of the Transaction and accordingly have not used undue influence or personal connections to achieve a favourable outcome for themselves; and
- the terms and conditions of the Transaction are in line with market terms and conditions.

The basis for Simmons Corporate Finance's opinion is set out in detail in sections 2.3 to 2.10 of the Appraisal Report. In summary, the key factors leading to its opinion are:

- the rationale for the Transaction is sound. It will enable Allied Farmers to realise the value of its investment in NZFL and to explore investment opportunities to grow the Allied Farmers' rural asset management business;
- Allied Farmers' senior management led a thorough sale process. Related Parties did not play any significant role in the sale process;
- there is no potential for a transfer of value from shareholders who are not associated with Stockmans and AgentCo to Related Parties, as Stockmans and AgentCo are selling their shareholdings in NZFL on the same terms and conditions as Allied Farmers;
- it considers the terms and conditions of the Transaction to be in line with market terms and conditions and are therefore fair to shareholders who are not associated with Stockmans and AgentCo; and
- the consequence of Resolution 4 not being approved is that the Transaction will not proceed. Allied Farmers (via AFRL), Stockmans and AgentCo will retain their current shareholdings in NZFL, which will continue to be operated in the ordinary course.

The Board recommends that you read the Appraisal Report in full. For more information on the scope of the Appraisal Report, refer to sections 2 and 3 of the Appraisal Report.

### **Background and rationale for the Transaction**

NZFL is a national livestock services business whose principal activities include livestock agency services, livestock financing, ownership of livestock saleyard interests, and the procurement, processing, and export of veal meat. Further information on NZFL's services is available at [mylivestock.co.nz](http://mylivestock.co.nz).

The Company has a 67.77% shareholding in NZFL through its wholly owned subsidiary, AFRL. The remaining 32.23% is owned by two third parties, Stockmans (as to 17.84%) and AgentCo (as to 14.39%). Stockmans and AgentCo are owned by certain livestock agents and directors/managers of NZFL.

Allied Farmers' goal is to deliver sustainable earnings growth for its shareholders by leveraging its core strengths in managing rural assets. Over recent years, NZFL's profitability has improved significantly.

The Company was first approached by RLL to consider a proposed sale of NZFL. Following a period of negotiations between the parties (which were led by the Company on behalf of AFRL, Stockmans and AgentCo), an agreement was reached and announced to the market in August 2025. The Company considers that the Transaction presents it with an opportunity to maximise the value of its investment in NZFL while supporting the development of a larger, stronger, and more competitive livestock business that benefits the wider rural sector. The NZFL sale will enable Allied Farmers to focus on and grow its strongly performing rural asset management business, and to explore additional complementary investment opportunities.

## Summary of the Agreement

On 27 August 2025, AFRL, Stockmans, and AgentCo (together, the “**Vendors**”) entered into the Agreement to sell all of their shares in NZFL to RLL. The Company (as guarantor of AFRL) and NZFL (as the company being acquired under the Transaction) are also parties to the Agreement. The sale of all of the shares in NZFL will result in RLL acquiring NZFL’s veal processing and marketing subsidiary, Farmers Meat Export Limited (“**FMEL**”); NZFL’s financing business, NZ Farmers Livestock Finance Limited (“**NZFLF**”); NZFL’s 52% interest in Hawkes Bay-based Redshaw Livestock Limited; and NZFL’s saleyard interests.

### **Purchase price**

The purchase price for all of the shares in NZFL under the Agreement is \$10.988 million, subject to certain post-completion adjustments. In broad terms, the purchase price will be adjusted for:

- the principal value of any residual vehicle lease liabilities retained by the business at completion (negative adjustment);
- the net equity value of loan assets remaining outstanding at completion (positive adjustment) (refer to the section titled ‘NZFLF loan book’ below for further details);
- the excess or deficit working capital delivered at completion versus targets; and
- the excess net debt or net cash retained by NZFL, FMEL and NZFLF at completion (excluding NZFLF’s facility with ANZ Bank New Zealand Limited (“**ANZ**”).

The purchase price will be allocated to the Vendors in proportion to their respective shareholdings in NZFL (with AFRL’s 67.77% proportion being approximately \$7.45 million, subject to the adjustments described above).

The expected value and impact of the post-completion adjustments are not currently known. However, the Company does not anticipate that the adjustments will have a material impact on the purchase price to be received by AFRL from the sale.

The purchase price was determined following extensive arm’s length negotiations between the parties and is based on a total enterprise value of NZFL of \$10.988 million on a debt free, cash free basis. The enterprise value was determined using a range of earnings before interest and tax (EBIT) multiples for each business (agency, finance and veal processing), with earnings based on both historical and forecast financial information. No third party valuation was received by the Company in connection with the Transaction.

### **NZFLF loan book**

After completion, NZFLF (then owned by RLL) will use all reasonable endeavours to collect its ‘loan book’ (being NZFLF’s loan assets as at completion (as recorded on its balance sheet), representing the loan receivables owing from its customers in relation to its financing activities). Loans made by NZFLF are funded from two sources (a) NZFLF’s own capital; and (b) a seasonal funding facility from ANZ.

Upon the earlier to occur of (a) the NZFLF loan book being fully repaid; (b) the Vendors and RLL determining that no further amounts are unrecoverable under the NZFLF loan book; and (c) 12 months having elapsed since completion of the Transaction, the net equity value of the NZFLF loan book as at that date will be paid by RLL to the Vendors. This ‘net equity value’ will be calculated as the total loan book repayments received by NZFLF from borrowers, less:

- amounts paid by NZFLF to ANZ in repayment of the seasonal funding facility;
- an amount (if any) equal to the extent to which the costs incurred in servicing the ANZ seasonal funding facility (including interest and fees, but excluding repayments made by NZFLF to ANZ), plus costs

associated with the collection, administration and enforcement of the loan book, exceed the interest revenue received by NZFLF under the loan book; and

- the balance (if any) owing by NZFLF under the ANZ seasonal funding facility.

If, however, NZFLF's costs exceed the repayments and interest received, the Vendors must reimburse RLL for the shortfall on a pro rata basis, in proportion to their NZFL shareholdings prior to completion. NZFLF's financing activities for the current season have only recently commenced. Accordingly, the value of the NZFLF loan book at completion of the Transaction (and therefore the amount to be received or paid by the Vendors, as outlined above) is not currently known or able to be determined.

### ***Conditions***

In addition to the Shareholder Approval Condition, completion of the Transaction is conditional on:

- approval by the boards of the Company and AFRL;
- approval by the boards and shareholders of AgentCo and Stockmans;
- approval by the board and shareholders of RLL;
- receipt of certain third-party approvals and change in control consents to the Transaction;
- the assignment of a certain lease and the transfer of a particular contractor engagement to the Company;
- RLL securing finance and completing due diligence; and
- RLL agreeing terms with AgentCo and Stockmans (or their beneficial owners/nominees) under which such parties will subscribe for not less than \$1,000,000 of shares in RLL ("**RLL Share Issue**").

AFRL will not be a party to the RLL Share Issue. The RLL Share Issue is intended to provide livestock agents and directors/managers of NZFL who currently have an indirect ownership interest in NZFL through their shareholdings in Stockmans or AgentCo with an opportunity to continue to have an ownership interest in the combined NZFL/RLL business following the Transaction, and to also provide RLL with funding for the Transaction. The opportunity for livestock agents and directors/managers of NZFL to hold shares in RLL is also consistent with RLL's ownership structure, given that all of RLL's shares are currently owned by livestock agents, staff, and directors. The terms of the RLL Share Issue had not been agreed to and therefore were not known at the time of entry into of the Agreement. As such, the RLL Share Issue has had no influence on the Company's decision to undertake the Transaction, and AFRL will have no interest in NZFL or RLL following completion.

All conditions must be satisfied (or waived by the party or parties for whose benefit the conditions are expressed in the Agreement) prior to completion. If any condition is not satisfied (or waived) by the required date, the Agreement will not complete unless all parties agree to an extension. Subject to satisfaction of the conditions, the Transaction is expected to complete on 1 December 2025.

### ***Warranties and liability***

Under the Agreement, the Vendors have provided certain warranties in respect of NZFL and its business, together with a tax indemnity, which are customary for a transaction of this nature. The liability of each Vendor is several, and each will only be liable for its relevant proportion of the Vendors' total liability (being its percentage shareholding in NZFL prior to completion).

The Vendors' liability for any warranty claim (other than warranties relating to title and capacity) is capped at \$5 million. The Vendors' total liability under the Agreement is limited to 100% of the purchase price. The Agreement also prescribes specific time periods within which RLL may bring a claim.

### ***Termination rights***

Both the Vendors and RLL can terminate the Agreement if any of the conditions are not satisfied or waived by the required date for that condition, or if the other party defaults in performing its obligations under the Agreement and fails to remedy that default within 10 business days.

### ***Interim period obligations***

Until completion of the Transaction, the Vendors have agreed to procure that NZFL carries on its business in the ordinary course. This includes, among other things, preserving the goodwill of the business, maintaining fixed assets in good condition, continuing usual debt collection practices, and keeping existing insurances in force. The Vendors must also notify RLL of any litigation or claims brought, or threatened to be brought, against the business.

The Vendors are also subject to certain negative obligations. For example, they must procure that NZFL does not enter into or amend any business contract involving revenue or expenditure above a specified threshold (other than in the ordinary course) or make changes to the NZFL group's corporate structure.

These obligations do not prevent the Vendors or the NZFL group from taking action required to comply with applicable laws, perform contractual obligations, respond to an emergency or disaster or undertake any matter approved by RLL.

### ***Restraints of trade***

To protect the value of the business being sold, the Vendors have agreed that, from completion until 1 December 2027, they will not establish, work in, or hold a financial interest in any business in New Zealand that is the same as, or competes with, NZFL's business. This restriction includes acting as an owner, employee, consultant, or investor. Limited exceptions apply – for example, the Vendors may hold shares or other interests in, or be involved with, RLL, the Company (and its existing related companies) and certain owned saleyards.

In addition, from completion until 30 June 2027, the Vendors have agreed not to approach or encourage NZFL's customers, clients, or suppliers to stop or reduce their business with NZFL. They have also agreed not to attempt to hire or entice away NZFL's staff, managers, directors, or contractors. The only exception is where an individual independently applies for a role in response to a general job advertisement that is not specifically targeted at NZFL employees.

### ***Guarantee***

Under the Agreement, the Company has guaranteed the obligations of AFRL. This includes paying, on demand, any amount AFRL owes to RLL, as though the Company itself were directly responsible. The Company has not guaranteed, and is not responsible for, the obligations of Stockmans or AgentCo.

### ***Implications of the Transaction on the Company***

The Company recorded a FY25 consolidated profit before tax of \$4.066 million, of which (including the consolidated profit before tax of Redshaw Livestock Limited, which is 52% owned by NZFL) \$3.838 million was generated by NZFL. Of this profit before tax generated by NZFL, \$2.490 million was attributable to the Company's shareholders and \$1.157 million was attributable to the non-controlling shareholders of NZFL, being Stockmans and AgentCo. The remaining \$0.191 million was attributable to the 48% non-controlling shareholders of Redshaw Livestock Limited.

Segmental information relating to "Livestock Services", being the livestock agency business facilitating livestock transactions and the procurement and export of veal, and "Financial Services", being the business providing and

referring livestock finance to farmer clients (both of which solely relate to and represent the activities of NZFL), can be found in Note A to the FY25 financial statements on page 23 of the Company's FY25 Annual Report. The report is available under the "Investors" section of the Company's website: [www.alliedfarmers.co.nz](http://www.alliedfarmers.co.nz).

Following completion of the Transaction, the Company will no longer derive any revenue (and ultimately any profit) from an interest in NZFL. However, the Company will continue to wholly own New Zealand Rural Land Management Limited Partnership (the manager of both NZX-listed New Zealand Rural Land Company Limited and New Zealand Rural Land Investments Limited Partnership), Allied FLA Limited (a property-holding special purpose vehicle) and a fully deployed rural loan asset. It is not possible to provide forward-looking statements regarding the financial performance of these retained businesses following completion of the Transaction. However, as an indication, the consolidated FY25 actual cash profit before tax for these retained businesses (including corporate costs) was \$750,000, adjusted for the amortisation of acquired business assets (which have no reinvestment requirements), but noting that this indication does not include earnings that will be generated from the future higher cash balances resulting from the Transaction.

Following receipt of all of the Transaction proceeds, the Allied Group's cash reserves are expected to increase by approximately \$7 million, to approximately \$14 million, subject to the working capital and cash/debt adjustments referred to on page 9.

The sale of NZFL will enable the Company to focus on and grow its strongly performing rural asset management business, while also exploring additional complementary investment opportunities. As nearly all of ALF's workforce outside of NZFL is employed by or contracted to New Zealand Rural Land Management Limited Partnership and involved in the rural asset management business, the sale of NZFL is expected to have little impact on ALF's personnel (and the Company's Managing Director will continue to be involved full-time in the Company's business going forward).

As a result of the Transaction the Company's deferred tax asset is expected to reduce by \$0.9 million to approximately \$0.4 million. The Company's carried-forward tax losses will remain significant, at more than \$175 million.

#### **Implications if the Transaction is not approved**

If shareholders do not approve the Transaction, the Shareholder Approval Condition will not be satisfied and the Transaction will not proceed. The Vendors will retain their existing interests in NZFL, which will continue to be operated in the ordinary course. The Company will not incur any break fees or financial penalties if the Transaction does not proceed.

The Board may then consider alternative options in relation to the Company's interest in NZFL.

#### **Risks associated with the Transaction**

While the Board considers the Transaction to be in the best interests of the Company and its shareholders, there are certain risks that should be noted:

- *Approval risks:* The Transaction is subject to a number of conditions, including shareholder approval and various board and third-party approvals. If these conditions are not satisfied (or waived), the Transaction will not proceed.
- *Execution Risks:* There is a risk that completion may be delayed or not occur if RLL does not secure financing, complete due diligence to its satisfaction or meet other requirements under the Agreement.

- *Counterparty Risks:* Following completion, RLL is responsible for managing and collecting the NZFLF loan book. The Vendors have limited control over the timing and ultimately the potential amount of any further payments to the Vendors.
- *Revenue Risks:* There is a risk that the return on the redeployment of the proceeds of the Transaction will not be accretive relative to the historical average return on the investment in NZFL.

## **Appendix**

### **Appraisal Report by Simmons Corporate Finance**

# **Allied Farmers Limited**

## **Appraisal Report**

### **In Respect of the Sale of the Shares in NZ Farmers Livestock Limited to Rural Livestock Limited**

***October 2025***

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## 1. Introduction

### 1.1 Background

Allied Farmers Limited (**Allied Farmers** or the **Company**) is primarily a rural investment company and rural asset manager.

Through wholly owned NZ Rural Land Management LP, the Company provides management, investment and administrative services to rural landowners New Zealand Rural Land Company Limited and Australian capital managers Roc Partners pursuant to management agreements.

Allied Farmers' foundation rural business is national livestock agency business NZ Farmers Livestock Limited (**NZFL**). The Company holds a 67.77% shareholding in NZFL via its wholly-owned subsidiary Allied Farmers Rural Limited (**AFRL**).

Allied Farmers' shares are listed on the main equities securities market (the **NZX Main Board**) operated by NZX Limited (**NZX**) with a market capitalisation of approximately \$21.9 million as at 16 October 2025.

The Company's audited total equity as at 30 June 2025 was approximately \$25.6 million, of which approximately \$24.6 million was attributable to the Company's owners.

### 1.2 Sale of Shares in NZ Farmers Livestock Limited

#### *NZ Farmers Livestock Limited*

NZFL is a national livestock services business whose principal activities include:

- livestock agency services
- livestock financing
- ownership of livestock saleyard interests
- the procurement, processing and export of veal meat.

The shareholders of NZFL are:

- Allied Farmers (via AFRL) – 67.77%
- Stockmans Holdings Limited (**SHL**) – 17.84%
- Agent Company Limited (**ACL**) – 14.39%.

Allied Farmers provides NZFL with governance support and guidance for its operations.

#### *Stockmans Holdings Limited*

SHL's shareholders are:

- Oliver Carruthers (34%)
- William Sweeney (34%)
- Julie Carruthers (16%)
- Karen Sweeney (16%).

### **Agent Company Limited**

ACL's shares are held by 34 shareholders, including:

- Oliver Carruthers (14.57%)
- interests associated with Simon Williams (13.99%)
- William Sweeney (9.65%).

### **Common Directors**

NZFL, SHL and ACL have 3 common directors:

- Oliver Carruthers is a director of NZFL, SHL and ACL
- William Sweeney is a director of SHL and ACL and is an alternate director of NZFL
- Simon Williams is a director of NZFL and ACL.

### **NZFL Sale**

Allied Farmers announced on 28 August 2025 that the Company, AFRL, SHL and ACL have signed a conditional agreement with Rural Livestock Limited (**RLL**) whereby AFRL, SHL and ACL will sell 100% of the shares in NZFL to RLL (the **NZFL Sale**).

The key terms of the NZFL Sale as set out in the *Agreement for the sale and purchase of shares in NZ Farmers Livestock Limited* dated 27 August 2025 (the **NZFL Agreement**) are:

- RLL will acquire 100% of the shares in NZFL for an enterprise value of \$10,988,000, adjusted at completion to recognise RLL's assumption of net debt and employee and vehicle lease liabilities, the value of NZFL's loan book and to recognise agreed target trade net working capital
- consideration will be in the form of cash
- the transaction is subject to a number of conditions precedent, including shareholder approval of an ordinary resolution in accordance with NZX Listing Rules (the **Listing Rules**) 5.1.1(a) and 5.2.1
- completion is targeted for 1 December 2025.

## **1.3 Annual Meeting of Shareholders**

Allied Farmers is holding its annual meeting of shareholders on 6 November 2025 where the Company will seek shareholder approval of an ordinary resolution in respect of the NZFL Sale (resolution 4 – the **NZFL Sale Resolution**).

An ordinary resolution is a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

SHL, ACL and their Associated Persons (as defined in the Listing Rules) are not permitted to vote on the NZFL Sale Resolution. Mr Carruthers, Mr Sweeney and Mr Williams are Associated Persons of SHL and / or ACL as they are directors of one or both of the 2 companies.

The Company's shareholders will also vote on resolutions in respect of:

- the Company's auditor's remuneration (resolution 1)
- the re-election of Shelley Ruha as a director (resolution 2)
- the re-election of Philip Luscombe as a director (resolution 3).

#### 1.4 Regulatory Requirements for this Appraisal Report

Listing Rule 5.2.1 stipulates that an Issuer must not enter into a Material Transaction if a Related Party is a party to the Material Transaction or to one of a related series of transactions of which the Material Transaction forms part unless the Material Transaction is approved by way of an ordinary resolution from shareholders not associated with the Related Party.

The NZFL Sale is a Material Transaction as it has an Aggregate Net Value in excess of 10% of Allied Farmers' Average Market Capitalisation.

SHL and ACL are direct parties to the NZFL Agreement and are deemed to be Related Parties of the Company because each company shares common directors with Allied Farmers' subsidiary NZFL:

- Oliver Carruthers is a director of NZFL, SHL and ACL
- William Sweeney is a director of SHL and ACL and is an alternate director of NZFL
- Simon Williams is a director of NZFL and ACL.

Accordingly, Mr Carruthers, Mr Sweeney and Mr Williams are also deemed to be Related Parties of the Company under the Listing Rules.

We refer to the SHL, ACL, Oliver Carruthers, William Sweeney and Simon Williams collectively as the **Related Parties**.

Listing Rule 7.8.8 (b) requires an Appraisal Report to be prepared where a meeting will consider a resolution required by Listing Rule 5.2.1.

#### 1.5 Summary of Opinion

Our evaluation of the fairness of the NZFL Sale as required under the Listing Rules is set out in section 2.

In our opinion, after having regard to all relevant factors, the terms and conditions of the NZFL Sale are fair to the Company's shareholders not associated with the Related Parties (the **Non-associated Shareholders**).

#### 1.6 Purpose of the Report

The Company's board of directors, comprising Philip Luscombe (independent director), Richard Milsom (managing director) and Shelley Ruha (independent chair) (the **Board**) has engaged Simmons Corporate Finance to prepare an Appraisal Report on the fairness of the NZFL Sale in accordance with the Listing Rules.

No members of the Board are deemed to be Associated Persons of the Related Parties.

Simmons Corporate Finance was approved by NZX Regulation Limited (**NZ RegCo**) on 12 September 2025 to prepare the Appraisal Report.

Simmons Corporate Finance issues this Appraisal Report to the Board for the benefit of the Non-associated Shareholders to assist them in forming their own opinion on whether to vote for or against the NZFL Sale Resolution.

We note that each shareholder's circumstances and objectives are unique. Accordingly, it is not possible to report on the fairness of the NZFL Sale in relation to each shareholder. This report on the fairness of the NZFL Sale is therefore necessarily general in nature.

The Appraisal Report is not to be used for any other purpose without our prior written consent.

## 2. Evaluation of the Fairness of the NZFL Sale

### 2.1 Basis of Evaluation

Listing Rule 7.10.2 requires an Appraisal Report to consider whether the terms and conditions of the NZFL Sale are *fair* to the Non-associated Shareholders.

There is no legal definition of the term *fair* in either the Listing Rules or in any statute dealing with securities or commercial law in New Zealand.

In our opinion, the NZFL Sale will be fair to the Non-associated Shareholders if:

- they are likely to be at least no worse off if the NZFL Sale proceeds than if it does not. In other words, we consider that the NZFL Sale will be fair if there is no value transfer from the Non-associated Shareholders to the Related Parties and
- the Related Parties have not used undue influence or personal connections to achieve a favourable outcome for themselves and
- the terms and conditions of the NZFL Sale are in line with market terms and conditions.

A transfer of value from the Non-associated Shareholders to the Related Parties may occur if the NZFL Sale is undertaken at a value which provides the Related Parties with an economic benefit that the Non-associated Shareholders cannot participate in.

We have evaluated the fairness of the NZFL Sale by reference to:

- the rationale for the NZFL Sale
- the process undertaken by Allied Farmers
- the terms and conditions of the NZFL Sale
- the impact of the NZFL Sale on the financial position of Allied Farmers
- the benefits and disadvantages to the Non-associated Shareholders of the NZFL Sale
- the benefits and disadvantages to the Related Parties of the NZFL Sale
- the implications if the NZFL Sale Resolution is not approved.

Our opinion should be considered as a whole. Selecting portions of the evaluation without considering all the factors and analyses together could create a misleading view of the process underlying the opinion.

## 2.2 Evaluation of the Fairness of the NZFL Sale

**In our opinion, after having regard to all relevant factors, the consideration and the terms and conditions of the NZFL Sale are fair to the Non-associated Shareholders:**

- **Allied Farmers (via AFRL), SHL and ACL have each entered into the NZFL Sale on identical terms and accordingly there is no value transfer from the Non-associated Shareholders to the Related Parties**
- **the Related Parties were not involved in negotiating the terms of the NZFL Sale and accordingly have not used undue influence or personal connections to achieve a favourable outcome for themselves**
- **the terms and conditions of the NZFL Sale are in line with market terms and conditions.**

The basis for our opinion is set out in detail in sections 2.3 to 2.10. In summary, the key factors leading to our opinion are:

- the rationale for the NZFL Sale is sound. It will enable the Company to realise the value of its investment in NZFL and to explore investment opportunities to grow Allied Farmers' rural asset management business
- Allied Farmers' senior management led a thorough sale process. The Related Parties did not play any significant role in the sale process
- there is no potential for a transfer of value from the Non-associated Shareholders to the Related Parties as the Related Parties are selling their shareholdings in NZFL on the same terms and conditions as Allied Farmers (and hence the Non-associated Shareholders)
- we consider the terms and conditions of the NZFL Sale to be in line with market terms and conditions and are therefore fair to the Non-associated Shareholders
- the consequence of the NZFL Sale Resolution not being approved is that the NZFL Sale will not proceed. Allied Farmers (via AFRL), SHL and ACL will retain their current shareholdings in NZFL, which will continue to be operated in the ordinary course.

## 2.3 Rationale for the NZFL Sale

Allied Farmers' stated corporate goal is to deliver sustainable earnings growth for its shareholders by leveraging its core strengths in managing rural assets.

Over recent years, NZFL's profitability has improved significantly, creating an opportunity for Allied Farmers to maximise the value of its investment in NZFL while supporting the development of a larger, stronger and more competitive livestock business that benefits the wider rural sector.

The Board is of the view that the NZFL Sale will enable the Company to focus on and grow its strongly performing rural asset management business and to explore additional complementary investment opportunities.

We consider the rationale for the NZFL Sale to be sound. The Board considers that the improvement in NZFL's financial performance provides an opportune time to realise the value of the Company's investment in NZFL and use the realised capital to invest further in the rural asset management sector.

## 2.4 Process Undertaken by Allied Farmers

The Board has advised us that it has evaluated the opportunity to exit its investment in NZFL for a number of years. The Company has had meaningful discussions with a number of potential acquirers.

The Board has taken external financial advice on the value of NZFL to assist in its discussions with potential purchasers.

RLL approached Allied Farmers in November 2023 to initiate the NZFL Sale.

Negotiations on behalf of Allied Farmers, SHL and ACL were led by the Company's managing director Richard Milsom and its legal counsel and company secretary Ross O'Neill.

Legal firm Simpson Western was instructed on the transaction and was responsible for drafting the NZFL Agreement.

None of the Related Parties were involved in the negotiation of the NZFL Sale with RLL. We are advised that Allied Farmers disclosed transaction terms to the Related Parties as they were negotiated, which the Related Parties generally accepted. We understand that the Related Parties did not engage separate legal or financial advisers and were content to rely on Allied Farmers and its advisers to negotiate the transaction on their behalf.

The NZFL Agreement was signed on 27 August 2025 and announced to the market on 28 August 2025.

The NZFL Agreement was signed by Ollie Carruthers on behalf of SHL and by Simon Williams on behalf of ACL.

Based on our discussions with the Board, we consider the sale process to be thorough and effectively undertaken.

Of key importance as to the issue of fairness between the Non-associated Shareholders and the Related Parties, we note that none of Mr Carruthers, Mr Sweeney or Mr Williams played any significant role in the sale process. Their involvement in the NZFL Sale was limited to being briefed on the progress of the transaction, consideration by their respective boards of directors as to whether the NZFL Sale was in their interests and signing the NZFL Agreement.

## 2.5 Terms of the NZFL Sale

AFRL, SHL and ACL (together as the **Vendors**), Allied Farmers (as guarantor) and RLL (as purchaser) entered into the NZFL Agreement whereby RLL will acquire 100% of the shares in NZFL from the Vendors under the terms and conditions set out below.

### *Entitles Being Sold*

RLL will acquire 100% of the shares in NZFL, which will result in RLL acquiring NZFL's:

- veal processing and marketing subsidiary, Farmers Meat Export Limited (**FMEL**)
- NZFL's financing business NZ Farmers Livestock Finance Limited (**NZFLF**)
- NZFL's 52% interest in Hawkes Bay-based Redshaw Livestock Limited
- NZFL's saleyard interests.

### **Purchase Price**

The NZFL Sale purchase price is \$10,988,000, subject to post completion adjustments in respect of:

- the actual level of working capital compared with the agreed baseline working capital level
- a reduction to reflect the value of NZFL's employee annual and long-service leave balances at completion (in excess of \$265,000)
- a reduction for any third party debt at completion
- an increase for any cash deposits at completion.

The purchase price will be allocated to the Vendors in proportion to their respective shareholdings in NZFL. The Company expects that AFRL's 67.77% proportion of the purchase price will be approximately \$7,450,000 (subject to the purchase price adjustments).

After completion, NZFLF (then owned by RLL) will use all reasonable endeavours to collect its loan book (being the loan receivables owing from its customers in relation to its financing activities) and RLL will pay the net equity value of the NZFLF loan book to the Vendors.

As stated in section 2.4, the terms and conditions of the NZFL Sale, including the purchase price, were negotiated by Allied Farmers' managing director and legal counsel and company secretary on the Vendors' behalf. The Related Parties were not involved in the negotiations.

On the basis that Allied Farmers (via AFRL) (and hence the Non-associated Shareholders) are receiving the same purchase price per share as SHL and ACL under the NZFL Sale, we consider the purchase price to be fair from the perspective of the Non-associated Shareholders relative to the Related Parties.

### **Conditions**

In addition to the condition that the NZFL Sale Resolution is approved, completion of the NZFL Sale is conditional on:

- approval by the boards of Allied Farmers and AFRL
- approval by the boards and shareholders of SHL and ACL
- approval by the board and shareholders of RLL
- receipt of certain third-party approvals and change in control consents to the transaction
- the assignment of a certain lease and the transfer of a particular contractor engagement to NZFL
- RLL securing finance and completing due diligence
- RLL agreeing terms with SHL and ACL (or their beneficial owners / nominees) under which such parties will subscribe for not less than \$1.0 million of shares in RLL (the **RLL Share Issue**).

AFRL will not be a party to the RLL Share Issue. The RLL Share Issue is intended to provide livestock agents and directors / managers of NZFL who currently have an indirect ownership interest in NZFL through their shareholdings in SHL or ACL with an opportunity to continue to have an ownership interest in the combined NZFL / RLL business following the NZFL Sale and to also provide RLL with funding for the transaction.

The opportunity for livestock agents and directors / managers of NZFL to hold shares in RLL is also consistent with RLL's ownership structure as all of RLL's shares are currently owned by livestock agents, staff and directors.

We understand that the terms of the RLL Share Issue had not been agreed to and therefore were not known at the time of entry into the NZFL Agreement. As such, the RLL Share Issue had no influence on Allied Farmers' decision to undertake the NZFL Sale. Furthermore, Allied Farmers will have no interest in NZFL or RLL following completion of the NZFL Sale.

All conditions must be satisfied (or waived by the party or parties for whose benefit the conditions are expressed in the NZFL Agreement) prior to completion.

If any condition is not satisfied (or waived) by the required date, the NZFL Agreement will not complete unless all parties agree to an extension.

We consider the conditions of the NZFL Sale to be customary for a transaction of this nature and to be reasonable.

### ***Warranties and Liability***

Under the NZFL Agreement, the Vendors have provided certain warranties to RLL in respect of NZFL and its business, together with a tax indemnity.

The liability of each Vendor is several and each Vendor will only be liable for its relevant proportion of the Vendors' total liability (being each Vendor's current shareholding level in NZFL).

The Vendors' liability for any warranty claim (other than warranties relating to title and capacity) is capped at \$5.0 million. The Vendors' total liability under the NZFL Agreement is limited to 100% of the purchase price.

The NZFL Agreement also prescribes specific time periods within which RLL may bring a claim.

We consider the warranties and tax indemnity provided by the Vendors under the NZFL Sales to be customary for a transaction of this nature and to be reasonable.

### ***Termination Rights***

Both the Vendors and RLL can terminate the NZFL Agreement if any of the conditions are not satisfied or waived by the required date for that condition or if the other party defaults in performing its obligations under the NZFL Agreement and fails to remedy that default within 10 business days.

We consider the NZFL Sale termination rights to be to be customary for a transaction of this nature and to be reasonable.

### ***Interim Period Obligations***

Until completion of the NZFL Sale, the Vendors have agreed to procure that NZFL carries on its business in the ordinary course (such as preserving the goodwill of the business, maintaining fixed assets in good condition, continuing usual debt collection practices and keeping existing insurances in force).

The Vendors are also subject to certain negative obligations (such as procuring that NZFL does not enter into or amend any business contract involving revenue or expenditure above a specified threshold (other than in the ordinary course) or make changes to the NZFL group's corporate structure).

We consider the NZFL Sale interim period obligations to be to be customary for a transaction of this nature and to be reasonable.

### ***Restraint of Trade***

In order to protect the value of the NZFL business being sold, the Vendors have agreed that, from completion until 1 December 2027, they will not establish, work in or hold a financial interest in any business in New Zealand that is the same as or competes with NZFL's business.

In addition, from completion until 30 June 2027, the Vendors have agreed not to approach or encourage NZFL's customers, clients or suppliers to stop or reduce their business with NZFL or attempt to hire or entice away NZFL's staff, managers, directors or contractors.

We consider the restraint of trade to be to be customary for a transaction of this nature and the NZFL Sale restraint of trade to be reasonable.

### ***Guarantee***

Under the NZFL Agreement, Allied Farmers has guaranteed the obligations of AFRL. This includes paying, on demand, any amount AFRL owes to RLL as though Allied Farmers itself was directly responsible.

Allied Farmers has not guaranteed and is not responsible for the obligations of SHL or ACL.

We consider the guarantee provided by Allied Farmers to be to be customary for a transaction of this nature and to be reasonable.

### ***Completion***

Subject to the satisfaction of the conditions in the NZFL Agreement, the NZFL Sale is expected to complete on 1 December 2025.

## **2.6 Impact on Allied Farmers' Financial Position**

As stated in section 2.3, the NZFL Sale will enable Allied Farmers to focus on and grow its rural asset management business while also exploring additional complementary investment opportunities.

Allied Farmers reported approximately \$9.7 million of cash and cash equivalents as at 30 June 2025.

Following the completion of the NZFL Sale, Allied Farmers’:

- cash reserves are expected to increase by approximately \$7 million to approximately \$14 million
- deferred tax asset is expected to reduce by approximately \$0.9 million to approximately \$0.4 million
- carried-forward tax losses will remain at more than \$175 million.

## **2.7 Advantages and Disadvantages to the Non-associated Shareholders of the NZFL Sale**

The main advantage of the NZFL Sale to the Non-associated Shareholders is that the proceeds of the sale will enable Allied Farmers to explore investment opportunities in the rural asset management sector.

We have not identified any significant disadvantages to the Non-associated Shareholders of the NZFL Sale.

## **2.8 Advantages and Disadvantages to the Related Parties of the NZFL Sale**

The NZFL Sale will enable SHL and ACL to realise the value of their investments in NZFL.

Furthermore, the shareholders of SHL and ACL may have the opportunity to invest in RLL through the RLL Share Issue.

## **2.9 Likelihood of the NZFL Sale Resolution Being Approved**

The NZFL Sale Resolution is an ordinary resolution. The Related Parties are not permitted to vote on the resolution.

The Board has unanimously recommended that the Non-associated Shareholders approve the NZFL Sale Resolution. Each member of the Board intends to vote all shares held or controlled by them in favour of the resolution. The Board collectively held relevant interests in 16.38% of the Company’s shares as at 30 June 2025.

The 10 largest Non-associated Shareholders collectively hold 57.36% of the Company’s shares as at 30 September 2025. This includes shares in which Allied Farmers’ managing director Richard Milsom holds a relevant interest.

The votes of the 10 largest shareholders will largely determine the outcome of whether the resolution will be approved.

## **2.10 Implications if the NZFL Sale Resolution is not Approved**

If the NZFL Sale Resolution is not approved, then the NZFL Sale will not proceed.

The Vendors will retain its their respective ownership of NZFL and NZFL will continue to be operated in the ordinary course.

Allied Farmers will not incur any break fees or financial penalties if the NZFL Sale does not proceed.

The Board may then consider alternative options in relation to Allied Farmers’ interest in NZFL.

## **2.11 Voting For or Against the NZFL Sale Resolution**

Voting for or against the NZFL Sale Resolution is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile and other factors. Non-associated Shareholders will need to consider these consequences and consult their own professional adviser if appropriate.

### **3. Sources of Information, Reliance on Information, Disclaimer and Indemnity**

#### **3.1 Sources of Information**

The statements and opinions expressed in this report are based on the following main sources of information:

- the notice of annual meeting
- the NZFL Agreement
- information in respect of the NZFL Sale and NZFL
- data in respect of Allied Farmers from NZX Company Research and S&P Capital IQ.

During the course of preparing this report, we have had discussions with and / or received information from the Board and Allied Farmers' legal advisers.

The Board has confirmed that we have been provided for the purpose of this Appraisal Report with all information relevant to the NZFL Sale that is known to them and that all the information is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is needed for the purpose of preparing this Appraisal Report.

In our opinion, the information to be provided by Allied Farmers to the Non-associated Shareholders is sufficient to enable the Board and the Non-associated Shareholders to understand all the relevant factors and to make an informed decision in respect of the NZFL Sale.

#### **3.2 Reliance on Information**

In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by Allied Farmers and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this report but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of Allied Farmers or NZFL. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

### 3.3 Disclaimer

We have prepared this report with care and diligence and the statements in the report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of Allied Farmers or NZFL will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of Allied Farmers and NZFL and their respective directors and management teams. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of the report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the report or assumptions reasonably taken as implicit, provided that this shall not absolve Simmons Corporate Finance from liability arising from an opinion expressed recklessly or in bad faith.

Our evaluation has been arrived at based on economic, exchange rate, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this report or to review, revise or update this report.

We have had no involvement in the preparation of the notice of annual meeting issued by Allied Farmers and have not verified or approved the contents of the notice of annual meeting. We do not accept any responsibility for the contents of the notice of annual meeting except for this report.

### 3.4 Indemnity

Allied Farmers has agreed that, to the extent permitted by law, it will indemnify Simmons Corporate Finance and its directors and employees in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity does not apply in respect of any negligence, wilful misconduct or breach of law. Allied Farmers has also agreed to indemnify Simmons Corporate Finance and its directors and employees for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Simmons Corporate Finance or its directors and employees are found liable for or guilty of negligence, wilful misconduct or breach of law or term of reference, Simmons Corporate Finance shall reimburse such costs.

## **4. Qualifications and Expertise, Independence, Declarations and Consents**

### **4.1 Qualifications and Expertise**

Simmons Corporate Finance is a New Zealand owned specialist corporate finance advisory practice. It advises on mergers and acquisitions, prepares independent expert's reports and provides valuation advice.

The person in the company responsible for issuing this report is Peter Simmons, B.Com, DipBus (Finance), INFINZ (Cert).

Simmons Corporate Finance and Mr Simmons have significant experience in the independent investigation of transactions and issuing opinions on the merits and fairness of the terms and financial conditions of the transactions.

### **4.2 Independence**

Simmons Corporate Finance does not have at the date of this report and has not had, any shareholding in or other relationship with Allied Farmers or SHL or ACL or Oliver Carruthers or William Sweeney or Simon Williams or any conflicts of interest that could affect our ability to provide an unbiased opinion in relation to the NZFL Sale.

Simmons Corporate Finance has not had any part in the formulation of the NZFL Sale or any aspects thereof. Our sole involvement has been the preparation of this report.

Simmons Corporate Finance will receive a fixed fee for the preparation of this report. This fee is not contingent on the conclusions of this report or the outcome of the voting in respect of the NZFL Sale Resolution. We will receive no other benefit from the preparation of this report.

### **4.3 Declarations**

An advance draft of this report was provided to the Board for its comments as to the factual accuracy of the contents of the report. Changes made to the report as a result of the circulation of the draft have not changed the methodology or our conclusions.

Our terms of reference for this engagement did not contain any term which materially restricted the scope of the report.

### **4.4 Consents**

We consent to the issuing of this report in the form and context in which it is to be included in the notice of annual meeting to be sent to the Non-associated Shareholders. Neither the whole nor any part of this report, nor any reference thereto may be included in any other document without our prior written consent as to the form and context in which it appears.



Peter Simmons  
Director

**Simmons Corporate Finance Limited**  
16 October 2025