

ALLIED FARMERS

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17 March 2023

NZ Rural Land Management Purchase Consideration

Allied Farmers Limited (ALF.NZX) is pleased to advise that it will shortly complete the purchase of the 50 percent of NZ Rural Land Management (**NZRLM**)* that it does not already own, pursuant to the exercise of its NZRLM call option on 19 December 2022. On completion NZRLM will be wholly owned and controlled by Allied Farmers.

As advised on 3 March 2023 the consideration to settle the acquisition of the 50 percent stake is \$8.3 million (**NZRLM Consideration**) (see NZX announcement <https://www.nzx.com/announcements/407740>).

The NZRLM Consideration will be satisfied by payment of \$6.55 million of cash, and the transfer of \$1.75 million worth of NZ Rural Land Company Limited shares owned by Allied at their 20-day volume weighted average price prior to completion date. The cash component will be funded from a combination of cash reserves and debt facilities.

Allied Independent Directors, Philip Luscombe and Shelley Ruha, engaged Simmons Corporate Finance to provide an independent opinion on the fairness of the call option exercise and the manner in which the NZRLM consideration will be satisfied. A copy of the Fairness Opinion is **attached**.

On behalf of the Independent Director Philip Luscombe said “We are excited to take this 100% ownership opportunity. Our existing investment in NZRLM has enabled strong and diversified earnings growth for the Allied Group, and we are confident that, with full ownership, this will be enhanced”.

Completion is expected to take place prior to the end of March 2023. A further update will be provided nearer completion.

Philip Luscombe
Independent Director

Shelley Ruha
Independent Director

* Specifically, on completion of the Option Exercise Allied Farmers will purchase:

- 500 Partnership Units of NZ Rural Land Management Limited Partnership
- 500 Ordinary Shares of NZ Rural Land Management GP Limited

* NZ Farmers Livestock Limited is a 67.77% owned subsidiary of Allied Farmers Limited.