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## **New Zealand Rural Land Company Limited conditional acquisition of Fourteen Large Scale Dairy Assets**

Allied Farmers Limited (“Allied Farmers” NZX: **ALF**) welcomes New Zealand Rural Land Company Limited’s (NZX: **NZL**) NZX announcement today of its conditional agreements to acquire fourteen large scale dairy assets in South Canterbury and North Otago, for an aggregate purchase price of \$114 million (subject to final adjustments), and related potential acquisitions.

This follows the announcement by NZL on 15 March 2021 of NZL’s first purchase of a 456 hectare dairy farm in Southland for a purchase price of NZ\$10.373 million.

Allied Farmers owns a 50 percent interest in New Zealand Rural Land Management Limited Partnership (**NZRLM**), which is the external manager of NZL.

The Management Agreement permits NZRLM to charge the following fees:

- Management Fee of 0.50% per annum of NZL’s Net Asset Value (**NAV**);
- Transaction Fee of 1.25% on all NZL land and improvements acquisitions and divestments;
- Lease Fee of \$30,000 per NZFL lease signed/renewed; and
- Performance Fee of 10% of NZL’s NAV growth, paid in NZL shares at NAV (50% escrowed for 5 years).

The Southland acquisition became unconditional on 23 March 2021. In accordance with the terms of the Management Agreement, and as disclosed in the NZL IPO documentation, NZRLM is now entitled to charge Management Fees.

Shareholders are reminded that NZRLM pays all costs of due diligence on potential and completed NZL acquisitions and property management. These costs are funded from both the Management Fee and Transaction Fees (if any) paid by NZL.

Should NZL’s conditional acquisitions complete, Allied Farmers intends to update the market on the likely earnings impact as a 50% shareholder of NZRLM.

**Richard Perry**  
Chairperson