

HEARTLAND GROUP

NZX/ASX Release

Heartland reassesses the valuation of its investment in Harmony Corp Limited

19 November 2020

Heartland Group Holdings Limited (**Heartland**) (ASX & NZX: HGH) advises that it is reassessing the valuation of its equity investment in Harmony Corp Limited (**HMY**).

Today, HMY launched an initial public offering (**IPO**) at A\$3.50 per share, listing its shares on the ASX and NZX (under ticker HMY). Following the IPO, Heartland owns 8,518,864 ordinary shares in HMY, representing 8.44% of HMY's total shares on issue. Alongside other majority shareholders, employees and directors, Heartland has entered into escrow restrictions prohibiting the disposal of its shareholding until the occurrence of certain events.

Heartland will reassess the fair value of its equity investment in HMY as part of the preparation of its financial results for the six-month period ending 31 December 2020 (**HY21**). In determining fair value, Heartland will take into consideration the market value of HMY shares alongside a range of other relevant factors, including the escrow restrictions. This may result in an increase in the fair value of the investment.

Heartland's equity investment in HMY is not significant in the context of Heartland's total assets. However, any increase in the fair value of that investment would result in one-off increase to Heartland's net profit after tax (**NPAT**) for the financial year ended 30 June 2021 (**FY21**). That increase has not been taken into account in Heartland's forecast NPAT for FY21, which may accordingly need to be revised.

- Ends -

For further information, please contact the person(s) who authorised this announcement:

Andrew Dixon
Chief Financial Officer
M: 021 263 2666
E: Andrew.Dixon@heartland.co.nz

Address:

Level 3, Heartland House
35 Teed Street
Newmarket, Auckland
New Zealand