



ASX ANNOUNCEMENT

23 December 2021

SunRice Group to make strategic acquisition of Pryde's EasiFeed

- SunRice Group has signed agreements to acquire 100 per cent of specialist branded equine feed manufacturer Pryde's EasiFeed, for a purchase price of \$38 million AUD¹
- Pryde's EasiFeed will be acquired by the CopRice business, with strong alignment between the product portfolio and capabilities of these businesses
- Acquisition is expected to be earnings per share accretive in the first full financial year of ownership, and will provide an opportunity to leverage CopRice's existing manufacturing facilities
- Investment demonstrates ongoing delivery of SunRice Group's 2024 Growth Strategy

The SunRice Group has entered into a securities purchase agreement to acquire 100 per cent of Gunnedah-based manufacturer Pryde's Easifeed, which is a leading supplier of branded extruded cubes, extruded sweet feeds, and pellet products for the equine market in Australia.

The company has a strong sales presence in the Australian domestic market, and also exports products to New Zealand, Hong Kong, Japan, and the Middle East.

Commenting on the acquisition, SunRice Group CEO Mr Rob Gordon said:

"This acquisition positions us to increase the scale of our CopRice business, will support its diversification into new geographic regions while increasing its presence in the high-value equine market, and is expected to be earnings per share accretive in the first full financial year of ownership."

"The EasiFeed business has equine expertise, brand strength, high-quality products and customer focus."

"There is a natural complement between Pryde's strong brand and market position and CopRice's product portfolio and reach into export markets. Importantly, the acquisition will also leverage CopRice's existing manufacturing facilities and deliver benefits through SunRice's investment in the Stabilised Rice Bran plant in Leeton, taking that highly nutritious ingredient and transforming it into branded products for sale in the high-value equine market."

"We hope this acquisition will allow Pryde's to leverage CopRice's capabilities, while protecting the successful formula that Peter and his family have built over many years."

Pryde's EasiFeed Founder and Managing Director Mr Peter Pryde said:

"After building our business over 35 years becoming part of the SunRice Group is an exciting next chapter for Pryde's EasiFeed."

"SunRice and Pryde's EasiFeed share similar business values where quality and service are strong pillars in both business structures."

^{1&2} Subject to completion adjustments

“Our family is looking forward to accessing opportunities through SunRice’s national and global footprint and scale to expand our customer base both nationally and internationally.”

Mr Pryde will continue in his role as Managing Director of Pryde’s EasiFeed, alongside other Pryde family members who will remain in the business.

Transaction details

The SunRice Group will acquire the Pryde’s EasiFeed business for \$38 million AUD².

The business is based in Gunnedah, NSW and holds leading share across a number of product categories in the high-value equine market. Pryde’s EasiFeed has 34 products which cater for a diverse range of equine dietary needs, including extruded cubes, pellets, and cooked sweet feed muesli. Major brands include BioMare Cubes, EasiSport, Old Timer, EasiResult, EasiPerformance and EasiPrep.

The company has a manufacturing facility in Gunnedah and a sales team across key sales regions of Australia and New Zealand. Products are distributed through a mix of retail produce stores and wholesalers. The business generated revenue of \$30.1 million in the financial year ended 30 June 2021 based on its unaudited financial statements. Revenue has grown year-on-year for the past four financial years.

The transaction is subject to satisfaction of a number of conditions precedent with completion anticipated at the end of January 2022. The purchase price will be funded from existing cash reserves and available debt facilities.

An investor overview is enclosed which provides more detail about the transaction, including an overview of the business, its product range, and expected benefits for CopRice and the SunRice Group.

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About SunRice’s structure

The structure of Ricegrowers Limited (SunRice) contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on the ASX and may only be held by Active Growers. A Class Shareholding Limit: a person must not hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice’s constitution.

B Class Shares are quoted on the ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue. For more details of the non-standard elements of SunRice’s structure see <https://corporate.sunrice.com.au/investors/>.
