

## **MIDWAY LIMITED (ASX: MWY)**

5 October 2022

### **FIRB approves the sale of plantation land in south-west Victoria**

The Foreign Investment Review Board (FIRB) has approved the sale by Midway Limited of 17,000 hectares of existing brownfield hardwood plantations in south-west Victoria to a special purpose vehicle managed by MEAG, a wholly owned subsidiary of Munich Re, for an estimated A\$154.1 million.

The FIRB has also approved the proposed acquisition by MEAG of an additional \$200 million of agricultural land in south-west Victoria to establish greenfield hardwood plantations that will be managed by Midway.

FIRB approval was the only material condition for the transaction, the first tranche of which will settle on 18 October 2022. FIRB approval was subject to commercially satisfactory conditions on the nature and location of the land to be acquired and the amount of land to be acquired over the next five years.

Completion of the sale process will trigger several related transactions, including:

- the phased repurchase over the next two years of the 'Strategy' hardwood trees on the existing Midway plantation estate as part of the sale to MEAG;
- repayment of all long-term corporate debt by Midway; and
- intended payment of a fully franked special dividend to Midway shareholders of approximately 19.5 cents per share in the first half of calendar 2023 (subject to conditions including settlement of subsequent tranches).

Midway Managing Director, Tony McKenna said all the operational details of the project had been finalised and there would be a seamless transition to the new ownership and management arrangements.

"Plantation management and offtake agreements between Midway and MEAG are in place that will generate management revenue and long-term hardwood woodfibre supply for our export business," he said.

"The transaction provides significant carbon sequestration opportunities in Victoria, generates valuable carbon credits for MEAG and demonstrates a successful model for future carbon management projects by Midway with domestic and global investors."

This announcement has been approved by the Midway Board of Directors.

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### **About Midway Limited**

Midway Limited is a leading Australian plantation management and woodfibre export company with headquarters in Geelong. Midway was founded in 1980 and is now primarily involved in plantation management and the production, processing and export of high-quality wood fibre to producers of pulp, paper and associated products in the Asian region. Midway owns 100% of Midway Tasmania, based at Bell Bay and Plantation Management Partners (PMP), based on Melville Island. Midway also has majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Midway is also building a carbon management portfolio based on forestry plantations. For further information, visit [www.midwaylimited.com.au](http://www.midwaylimited.com.au).