

Divestment of Land and Building in New Zealand

15 May 2023

Halo Food Co. Limited (ASX:HLF) (“**Halo**” or the “**Company**”) is pleased to announce in line with the strategic review being undertaken by the Company, its wholly owned subsidiary Keytone Enterprises (NZ) Company Limited has divested the land and buildings in New Zealand. The land and building will be leased back as Halo continues to own and operate the NZ business.

The key terms of the divestment are as follows:

- Gross funds realised total NZD3.35m¹ for both the land and building and the adjacent vacant block of land;
- The purchaser is Yarra Holdings Limited;
- The purchase price represents a 40% premium to the carrying value recorded on the balance sheet;
- 10% deposit has been received in the real estate agent’s nominated trust account;
- Settlement is contracted to occur in 10 business days;
- Halo to lease back the land and facilities at a market based rent on which it will continue to operate the NZ business; and
- The purchaser is to enter into a development agreement for the construction of a purpose-built warehouse on the adjacent vacant block of land (included in the sale), further reducing the cost base of the NZ business and eliminating the need for third party warehousing currently in use. Keytone will commence a market based rent on this property upon completion of the warehouse and the receipts of the relevant council consents.

The use of proceeds will be to principally repay debt across the group in Australia and New Zealand. A proportion of the funding will be retained for working capital.

Release of this announcement was authorised by the Halo Board of Directors.

¹ Agents commission of NZD83,750 (exclusive of GST)



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Further Information

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About Halo Food Co. Limited

Based in Sydney and Melbourne, Australia and Christchurch, New Zealand, Halo Food Co. Limited is an established brand owner, manufacturer and exporter of formulated health and wellness products. Halo Food Co. is a leading Australian and New Zealand brand owner, developer and manufacturer in the health and wellness sector, with dry powder, ready to drink UHT and protein bar health and wellness-based product capability. In addition to Halo Food Co.'s own brands, the company is a trusted production partner, contract packing for well-known brands in Australia, New Zealand and internationally. The Company's purpose-built production facilities in Australia and New Zealand offer a wide range of dairy, health and wellness and nutritional packing solutions, meeting the diverse needs of consumers from different markets and cultures. Please visit www.halofoodco.com for further information.

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