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Market Statement 8 December 2021

Special Dividend

The Board of Livestock Improvement Corporation (NZX: **LIC**) today announced it will pay shareholders a special dividend of 10 cents per share.

The fully imputed dividend, worth \$14.2 million, will be paid on 21 January 2022 with the share register closing at 5pm on Friday 7 January 2022 to determine entitlements.

Chairman Murray King said the special dividend, the first for the farmer-owned co-op, is to partially distribute funds from the divestment of its automation business in June (*NZX 8 June 2021*).

“The divestment of the automation business was in line with LIC’s refined strategy, allowing the co-op to sharpen its focus on delivering world-leading pasture based dairy genetics and herd management for our farmers.

“Importantly it has allowed us to focus on delivering more value on-farm. The Board has carefully considered how best to do this with the sale funds - to balance the needs of our shareholders with the needs of the co-operative and ongoing investment into R&D and technology in areas that will continue to deliver value for them.

“The Board has agreed the best way to achieve this balance is to return part of the proceeds from the sale to our farmers as a special dividend, and re-invest the balance into the business.

“This reinvestment will provide an additional boost to R&D projects and help us deliver on the commitments we have made to our shareholders with software reliability and performance, operational excellence and faster genetic improvement.”

King said the co-op had held the proceeds from divestment through its peak spring business period to offset any potential impacts of Covid-19, however a strong season meant it wasn’t required.

The special dividend is in addition to the \$17.8million (12.51 cents per share) returned to LIC shareholders in August with the co-op’s annual result announcement (*NZX 22 July 2021*).

ENDS

This statement has been authorised for release by the Board of Directors.

- For shareholder enquiries, phone 0800 264 632
- For media enquiries, contact LIC Communications Manager: Ashleigh.Sattler@lic.co.nz, 0276171942.

About LIC

LIC is a farmer-owned co-operative and world leader in pasture based dairy genetics and herd management. LIC exists to deliver superior genetics and technological innovation to help its shareholders sustainably farm a profitable animal.

With origins dating back to 1909, LIC has a long history of developing and delivering world-leading innovations for the dairy industry. The co-op continues to be one of the sector’s biggest private investors in research and development.

Today the New Zealand-based co-op employs more than 700 permanent staff, swelling to 2000 during the spring peak dairy mating season. LIC also has offices in the United Kingdom, Ireland and Australia. All LIC profit is returned to its farmer owners/shareholders in dividends, or reinvested for new solutions, research and development. www.lic.co.nz