

7 June 2024

Important: Notice of Meeting and Request for Support – Proposed Constitutional Amendments to Preserve Tax Losses

Dear Shareholders,

I am writing to you regarding an important Resolution at our upcoming Special Meeting, scheduled to be held online-only on Thursday 11 July 2024 at 11:00am. The Resolution seeks your approval to amend our constitution to assist in the preservation of our approximately \$186 million of tax losses.

Your Board supports the constitutional amendments and strongly recommends that you vote in favour of the Resolution.

The attached Notice of Meeting sets out the reasons we are seeking your approval to amend our constitution.

In summary, during FY23 we obtained an Inland Revenue ruling that recognised the tax losses the Allied Group had incurred. This significantly increased the losses we previously believed were available, and those losses now represent an approximate 8 times multiple of our market capitalisation as at 6 June 2024, being the date immediately preceding the date of this Notice of Meeting. If future taxable profits are available to use those tax losses, their value is approximately double our market capitalisation as at 6 June 2024, being the date immediately preceding the date of this Notice of Meeting.

However, our ability to utilise those tax losses is dependent on continuing to satisfy a “shareholder continuity” test.

The constitutional amendments are intended to significantly strengthen our ability to restrict share transfers that could cause a breach of shareholder continuity. Broadly, the amendments restrict persons from holding a relevant interest¹ in 5% or more of our shares.

¹ In broad terms, a person has a ‘relevant interest’ in a share if the person (a) is the registered holder or beneficial owner of the share; or (b) has the power to exercise, or control the exercise of, a right to vote attached to the share or has the power to acquire or dispose of, or to control the acquisition or disposition of, that share. A person may also have a ‘relevant interest’ in a share

There are limited exceptions for persons who already hold a relevant interest in 5% or more of our shares, share issues or transfers under employee share purchase schemes, transactions permitted under the Takeovers Code and holdings of corporate trustees/nominees.

NZ RegCo has granted approval to the transfer restrictions, and a waiver in relation to the suspension of voting rights attaching to shares affected by the restrictions, that form part of the constitutional amendments.

This cover letter is not a complete discussion of the constitutional amendments, and accordingly I encourage you to read the enclosed Notice of Meeting, including the explanatory notes, to understand the detail of these amendments the Board is proposing to the constitution.

The Board is acutely conscious of the risk of loss of a significant asset arising from a failure to maintain shareholder continuity, and we look forward to your vote in support of the Resolution.

Shelley Ruha
Chair

to which another person has a 'relevant interest' depending on the nature of the relationship between them.