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24 May 2021

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NZ Rural Land Company Limited – \$44.3 million Rights Offer

Allied Farmers Limited (“Allied Farmers” NZX: **ALF**) is pleased to note the announcement today by New Zealand Rural Land Company Limited (NZX: **NZL**) of a capital raising of \$44.3 million by way of a 2 for 3 pro-rata renounceable rights offer (**Rights Offer**).

Allied Farmers owns a 50 percent interest in New Zealand Rural Land Management Limited Partnership (**NZRLM**), which is the external manager of NZL.

The NZL Management Agreement permits NZRLM to charge the fees described in Allied Farmers’s NZX announcement on 30 April 2021.

NZL has advised that a proportion of the Rights Offer proceeds will be used by NZL to reduce debt and provide further cash for acquisitions as NZL looks to continue its growth as a landowner in the New Zealand rural sector.

Because the level of fees payable to NZRLM by NZL increases with additional acquisitions that increase the level of NZL’s assets under management, the Rights Offer should ultimately have a positive impact on ALF’s earnings from NZRLM.

Richard Perry
Chair