ASX ANNOUNCEMENT

18 December 2020

SunRice Group's CopRice expands into New Zealand with the acquisition of Ingham's NZ dairy nutrition business

- **SunRice Group's CopRice business will expand into New Zealand after signing a purchase agreement to acquire the NZ dairy nutrition business of Inghams Group Limited (Ingham's)**
- **Cost of the acquisition is NZD $11.5 million[1], and is expected to complete by 31 March 2021**
- **Acquisition includes Ingham's feed mill at Hamilton, and direct-to-farm and packaged dairy nutrition business in New Zealand**
- **Investment demonstrates continued delivery of SunRice Group's 2022 Growth Strategy, and is expected to be earnings per share accretive**

The SunRice Group's CopRice business will expand into New Zealand after signing a purchase agreement to acquire the dairy nutrition business of Ingham's, which produces and sells dairy and calf feed products, particularly in the key Waikato dairy region of the North Island.

The acquisition includes Ingham's' feed mill at Hamilton, and direct-to-farm and packaged dairy business in New Zealand under the 'Top Cow' and 'Top Calf' brands.

CopRice is a leading provider of stockfeed and companion animal products in eastern Australia, and this strategic acquisition will see it expand its operational footprint into New Zealand for the first time, building on its existing export business into that market.

It follows the August 2020 acquisition of the dairy and beef business of Riverbank Stockfeeds, which has enabled CopRice to strengthen its position in the Victorian beef and dairy market.

Commenting on the acquisition, SunRice Group Chairman Mr Laurie Arthur said[2]:

> *"This is a significant and strategic acquisition for CopRice that will see it expand its operational footprint and expertise into the New Zealand dairy market for the first time.*
>
> *"It is further evidence of our 2022 Growth Strategy in action. Disciplined management despite the challenges of 2020 has ensured our balance sheet has remained strong, and we are focused on continuing to leverage that strength to acquire value-accretive businesses.*
>
> *"The acquisition will see CopRice take its deep dairy nutrition expertise to one of the world's largest dairy production countries, building on our existing export business into New Zealand by adding local production capability.*
>
> *"We have made a number of recent investments in the CopRice business, including the repurposing of the former Coleambally SunRice mill, the acquisition of Riverbank Stockfeeds' dairy and beef business, and investment in our Wangaratta site to reconfigure it into a manufacturer of companion animal products.*

[1] Subject to standard completion adjustments
[2] Mr Robert Gordon, who is a Director of both Ricegrowers Limited and Inghams Group Limited, was not involved in the transaction.

"These investments are expected to deliver benefits from financial year 2022. Aside from this investment, we are actively exploring other strategic and organic growth opportunities for SunRice aligned to our 2022 Growth Strategy."

CopRice General Manager Mr Peter McKinney said:

"This investment will take CopRice's 40-plus years of dairy nutrition expertise to the New Zealand market, and build on the success we have already had there with our packaged dog and horse range sold into the agricultural retail market.

"The acquisition will build on our existing relationships with strategic agricultural retail customers through being able to expand the range of packaged products to new species, especially in the key packaged calf market."

The cost of the acquisition is NZD $11.5 million[1] and completion is expected to occur by 31 March 2021, pending satisfaction of a number of standard conditions precedent. The business being acquired generated unaudited revenue of NZD $25 million in the full year ended 27 June 2020. CopRice expects to generate synergies from introducing its concentrate expertise to the New Zealand market and expanding its dog and horse food range through having a greater local presence. The purchase price will be funded from existing cash reserves and available debt facilities. The acquisition is expected to be earnings per share accretive.

Authorised by Kate Cooper, Company Secretary, SunRice Group.

Investor Inquiries:
Ben Walsh
Morrow Sodali
0452 077 042 / b.walsh@morrowsodali.com

Media Inquiries:
Julian Luke
Head of Corporate Affairs, SunRice
0414 548 504 / jluke@sunrice.com.au

About SunRice's structure

The structure of Ricegrowers Limited (SunRice) contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by Active Growers. The right to vote is based on one member, one vote and no person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see https://corporate.sunrice.com.au/investors/