

Southern Sky Dairies Ltd

New Zealand Investment Opportunity

Investment Highlights

Southern Sky Dairies Limited (SSDL) represents a passive, fully managed investment opportunity into a large-scale dairy farming portfolio predominately in Northern Southland, New Zealand. On offer is an equity investment of up to NZD\$20,000,000 of new capital in SSDL, with a minimum investment of NZD\$2,000,000. Capital is being raised to give liquidity and to grow the business through retained profits and appreciation, with the aim of having incoming and exiting capital neutral over a three-year period.



The investment boasts:

- An established large-scale low-input grass based dairy farming business
- A strong balance sheet with proven financial results, returning an average 9.1% RoA over the last three years
- Total operating control inside the farm gate, being largely self-contained
- Full management by FarmRight Ltd, together with long-standing employees
- A highly experienced and skilled Board of Directors
- Excellent infrastructure across all farms facilitating ease of management, retention of staff and on-farm performance
- Shareholder flexibility with opportunity to increase shareholding over time as well as an annual shareholder liquidity mechanism

Southern Sky Dairies Ltd



“Creating our best future through farming”

2032 Vision – a \$300 million sustainably focused dairy portfolio

Southern Sky Dairies Ltd (SSDL) was established in 2014 through the amalgamation of an existing multi-farm dairy business with two further dairy investment portfolios. The business now comprises eight pasture-based dairy farms and two dairy support blocks, predominantly in Northern Southland, New Zealand.

SSDL was formed on the simple philosophy of creating an environmentally sustainable dairy business through maximising profit from grass fed milk production. It is operated by leading farm business management consultants FarmRight and governed by an experienced Board of Directors.

Courage

Team

Care

Respect

Fun

Governance & Investment Management

Southern Sky Dairies Ltd

Chairman

Peter Flannery

Board of Directors

Tony Cleland, David Matthews, Paul Brock, Gary Pauley

FarmRight Investment Manager

Nathan Shirley

North South
Farms

Five Rivers
Dairies

Irthing
Downs

Mount Bee
Dairies

Ten K Dairies

Riversdale
Dairies

Two Rivers
Dairies

Tussock
Creek Dairies

Owaka
Dairies

Oxford
Farms

History

The genesis of SSDL began when a group of Northland dairy farmers joined with Tony and Alison Cleland from Southland and together, they formed North South Farms Ltd. They purchased and converted their first farm in Northern Southland in 1999. In 2014, through the amalgamation of a further two dairy investment portfolios, Southern Sky Dairies Ltd (SSDL) was formed on the simple philosophy of creating an environmentally sustainable dairy business through maximising profit from grass fed milk production. Now comprising eight pasture based dairy platforms and two dairy support blocks located in Southland and Otago, the amalgamation provided the synergy of scale, location, and with the broader shareholder base, importantly enabled the establishment of an investor liquidity mechanism through a period of continual asset growth.

Shareholding in SSDL has been very consistent with the original North South shareholders still part of the business today and other shareholders investing for at least 15 years.

Operated by leading farm business management consultants FarmRight Ltd and governed by an experienced board with a broad-based skillset, SSDL has grown to an asset base which now exceeds \$130 million with a long-term goal of \$300 million over the next 9 years.

SSDL Director Profiles

Paul Brock

Paul was the Kiwibank Group Chief Executive from 2010-2017. He was Co-Founder of the bank which was launched in 2002. As Group Chief Executive Paul led the Kiwibank Group through a period of rapid growth and diversification into business banking, wealth management, insurance and asset finance. The bank is now a major player in the New Zealand market with one in four New Zealanders holding an account with Kiwibank.

Paul has a strong background in governance, management, growth business development, brand development and marketing. An extensive background in the financial services industry has also included senior management positions with Westpac and Trust Bank. Paul has been Chairman of Gareth Morgan Investments Ltd and Kiwibank Investment Management Ltd and the Massey University Business School Advisory Board. He has also been a Director of Kiwi Insurance Ltd, New Zealand Home Loans Ltd, Kiwibank Custodial Services Ltd, AMP Home Loans Ltd, Kiwi Capital Securities Ltd, Kiwi Capital Funding Ltd Kiwi Wealth Management Ltd and Cigna Life Insurance New Zealand Ltd.

Paul is currently Chair of the board of the New Zealand Story Group, a country reputation programme to enhance the New Zealand brand and increase the benefits to New Zealand from export trade, Chair of Tourism New Zealand, Chair of the Innovation Programme for Tourism Recovery, Chair of Chubb Life Insurance New Zealand and Chairman of Foley Wines, an NZX-listed growth wine business. He is also a Council Member of Massey University. Paul holds a Bachelors degree in Business Studies from Massey University.

Peter Flannery

Peter graduated from Lincoln College in 1982 with a B Ag Com and commenced his career as a stock agent before joining Rural Bank (later National Bank) In a 21-year career culminating as the Senior Rural Manager leading one of the Bank's largest rural teams. After leaving the Bank he started Farm Plan Limited, focusing on governance aspects of agri-businesses. Peter has a postgraduate diploma in banking.

Gary Pauley

Gary is a Chartered Accountant with almost 30 years' experience as a finance professional with Corporates, Banks, and SMEs within New Zealand and overseas. His corporate experience includes financial management and investment roles with the Housing Corporation, Telecom NZ, Bank of New Zealand, and National Australia Bank (New York) and ANZ National Bank. Gary recently worked as a chartered accountant until he sold his practice to focus on providing business advice to a range of mature businesses and startups. He has been involved as a director and/or advisor to several boards. He is currently a Director of TH Barnes Limited and Province Coldstores.

Tony Cleland

Tony has been farming all his life and commenced farming at North South Farms in 1992. He is a Farm Investment Manager, Shareholder and Director of FarmRight Limited. He is also the former chairman of FMG Insurance New Zealand's leading rural insurer, providing risk advice and insurance to over 64,000 people across 30 offices across New Zealand.

David Matthews

David is an experienced director, senior executive, and international lawyer. He was most recently the Chief Corporate Officer of Ingham's Group, the largest poultry producer across Australia and New Zealand. Prior to that he was Fonterra's first Group General Counsel and Company Secretary. In his executive roles in major international listed companies David had led M&A, Property, Trade Strategy, Legal and Regulatory, Secretariat and Governance, Risk, Government Relations, Public Relations and Insurance. David has been involved as a director and advisor to boards for over 30 years and is a Member of the Australian Institute of Company Directors. His legal career was as a corporate, banking and finance lawyer in major international law firms in Sydney and London and he continues to practice law as a corporate lawyer. He is a member of the Law Society of New South Wales and has a Bachelor of Economics and Bachelor of Laws from The University of Sydney.

Management & People

Our People We create a better future for our shareholders through growing a sustainable low cost, profit focused dairy portfolio, we create a better future for our staff by focusing on personal development and career progression.



Each individual business has an On-farm Manager, Operations Manager or Contract Milker supported by other staff for the daily operation of the dairy farms and support blocks. Those managers report to FarmRight Investment Manager Nathan Shirley, who in turn is supported by farm consultants, human resource, environmental, risk, and health and safety specialists, and administration staff through the FarmRight Management Agreement.

Key features of the SSDL business that enable employment and retention of great on-farm staff are:

- Excellent infrastructure and quality housing
- Support from FarmRight consultants and Human Resources staff for personal development
- Career progression within the same business
- The proximity of a range of recreational activities in Southland and Otago

Liquidity & Growth Strategy

SSDL has a strong balance sheet with proven financial results, and is currently delivering on their growth strategy to become a \$300 million portfolio by 2032. The highly experienced and skilled Board of Directors provide strong governance to enable achievement of this growth strategy. On behalf of SSDL FarmRight will continue to investigate land acquisition opportunities and make recommendations to the SSDL Board, dependant on available cash, cost of debt and debt to equity ratios.

Investor distributions have been based on paying out 10% of profit with 90% retained for further portfolio growth. And while long-term asset growth is the priority with opportunities to increase shareholding, the Directors of SSDL understand the changing needs of shareholders and have structured an annual liquidity release mechanism based on Net Asset Backing. Annual valuations are undertaken to enable this and circa NZD\$14 million of shareholder equity has been paid out of cash over the last seven years.

Environment/Sustainability

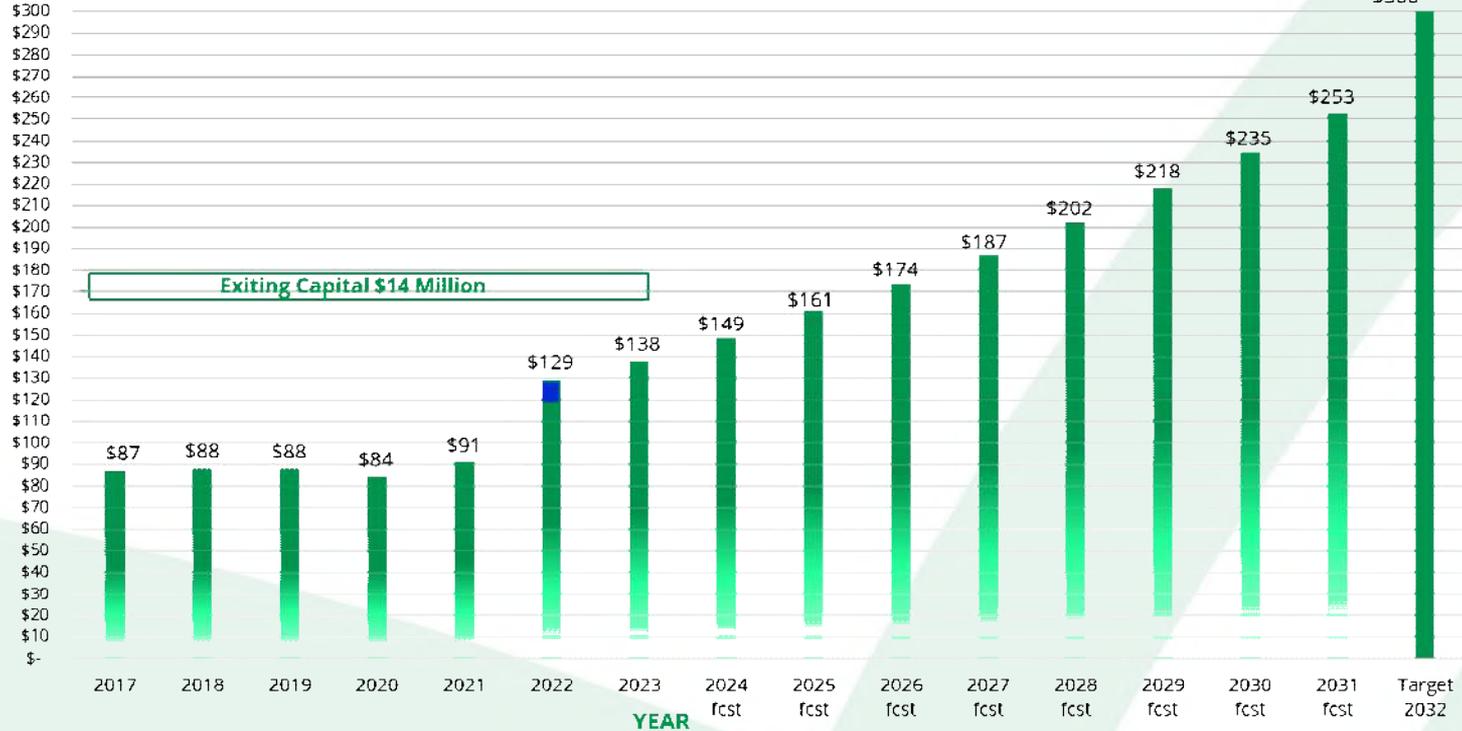
Our Environment *As custodians of the land we create a better future for our environment through careful stewardship and a focus on an environmentally enduring dairy business.*



- All of the SSDL dairy farms supply Fonterra, which has a target to reduce the intensity of on-farm emissions by 30% by 2030 through a variety of tools, including innovative methane reducing technologies, best farming practice in efficiency of fertiliser and energy use, and working with nature to increase carbon sequestration.
- More than half of SSDL's debt is with the Westpac Bank and is in the process of being converted to a Sustainability-Linked Loan, where interest costs will be linked to annual performance of sustainability targets.
- SSDL has a high degree of self-containment, giving control of the environmental impacts of wintering.
- The business has an active focus on measuring greenhouse gas emissions, nutrient discharge and other sustainability targets.

Southern Sky Dairies Ltd

PORTFOLIO ASSEST VALUE



- Assumes from 2024 onwards, on average, any exiting capital is replaced by new capital.
- Blue bar shows introduced capital of \$7.6 million in 2022 which was from the roll in of investors from two JV farms into Southern Sky Diaries Ltd.
- \$20 million is not included in graph.
- \$300 million stretch target.

SSDL Performance Indices

PERFORMANCE INDICIES	Measure	FY20 (a)	FY21 (a)	FY22 (a)	FY23 (a)	FY24 (b)
Farm size	ha	3,061	3,061	3,061	3,504	3,347
Runoff block	ha	927	927	927	690	690
Effective platform	ha	2,796	2,796	2,796	3,027	3,021
Maximum cows milked	cows	7,222	7,159	6,933	7,526	7,795
Average stocking rate	cows/ha	2.4	2.6	2.5	2.5	2.6
Milk production	kgMS	2,449,271	2,334,945	2,269,117	2,455,746	2,815,000
Milk production	kgMS/ha	876	835	812	811	933
Milk production	kgMS/cow	339	326	327	326	361
Milk income ¹	\$/kgMS	\$7.14	\$7.54	\$9.30	\$8.22	\$7.25
Dairy company dividend ²	\$/kgMS	\$0.05	\$0.20	\$0.20	\$0.50	\$0.68

Base milk price only - i.e. excludes dividends, capacity adjustment and premiums (e.g. colostrum)

FY20-22 show the numbers for all the farms which are now 100% SSDL assets. Prior to FY23 SSDL was only a shareholder in two of these farms, so they will not reflect SSDL accounts.

Land area above includes lease land

SSDL Performance

RATIOS	Measure	FY20 (a)	FY21 (a)	FY22 (a)	FY23 (a)	FY24 (b)
RoA 1	%	7.7%	9.8%	9.9%	7.3%	6.7%
Debt to assets 2	%	36%	40%	38%	41%	40%
RoE	%	-2.04%	13.9%	32.82%	7.59%	5.98%
	<i>² Includes term debt and working capital facility</i>					
	<i>¹ on EBITDA (excludes cash on hand)</i>					
Expenses as a % of GFI	%	57%	52%	55%	61%	59%
EFS	<i>\$/ha</i>	<i>\$ 2,123</i>	<i>\$ 2,568</i>	<i>\$ 2,656</i>	<i>\$ 2,218</i>	<i>\$ 2,247</i>
Interest as a % of GFI	%	8.9%	5.7%	5.1%	12.2%	17.2%
Total debt per kgMS	<i>\$/kgMS</i>	<i>\$ 19.34</i>	<i>\$ 22.77</i>	<i>\$ 22.90</i>	<i>\$ 23.93</i>	<i>\$ 20.05</i>
Expenses per kgMS	<i>\$/kgMS</i>	<i>\$ 4.52</i>	<i>\$ 4.66</i>	<i>\$ 5.72</i>	<i>\$ 6.13</i>	<i>\$ 4.91</i>

SSDL Forecast Performance

PERFORMANCE INDICIES	Measure	FY24	FY25	FY26	FY27	FY28
Farm size	ha	3,347	3,347	3,347	3,347	3,347
Runoff block	ha	690	690	690	690	690
Effective platform	ha	3,021	3,021	3,021	3,021	3,021
Maximum cows milked	cows	7,795	7,795	7,795	7,795	7,795
Average stocking rate	cows/ha	2.6	2.6	2.6	2.6	2.6
Milk production	kgMS	2,815,000	2,817,500	2,820,000	2,820,000	2,820,000
Milk production	kgMS/ha	933	933	933	933	933
Milk production	kgMS/cow	362	362	362	362	362
Milk income ¹	\$/kgMS	\$7.25	\$8.29	\$8.46	\$8.62	\$8.80
Dairy company dividend ²	\$/kgMS	\$0.68	\$0.23	\$0.24	\$0.24	\$0.25

¹ Base milk price only - i.e. excludes dividends, capacity adjustment and premiums (e.g. colostrum)

² Incl. prior year final payments and payments in current year

SSDL Forecasts

RATIOS	Measure	FY24	FY25	FY26	FY27	FY28
RoA ¹	%	6.7%	7.9%	7.8%	7.9%	7.8%
Debt to assets ²	%	40.8%	38.2%	33.6%	29.1%	24.6%
Estimated appreciation as RoE	%	6.0%	6.5%	6.7%	8.1%	7.2%

¹ on EBITDA

² Includes term debt and working capital facility

Expenses as a % of GFI	%	59%	57%	58%	57%	58%
EFS	\$/ha	\$ 2,247	\$ 2,626	\$ 2,612	\$ 2,703	\$ 2,717
Interest as a % of GFI	%	17.2%	15.5%	14.3%	13.0%	11.6%
Total debt per kgMS	\$/kgMS	\$ 20.13	\$ 19.11	\$ 17.07	\$ 15.05	\$ 12.91
Expenses per kgMS	\$/kgMS	\$ 4.91	\$ 5.12	\$ 5.34	\$ 5.39	\$ 5.56
Milk land lease (MLL) per kgMS	\$/kgMS	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Expenses (excl. MLL) per kgMS	\$/kgMS	\$ 4.90	\$ 5.12	\$ 5.34	\$ 5.38	\$ 5.55

FarmRight Ltd

Established in August 2000, FarmRight Ltd saw the opportunity to fill a service gap in the dairy farming market in New Zealand. As equity partnerships, corporate ownership and large-scale family holdings in dairy farming increased, the need for specialised business management became apparent. In late 2010 FarmRight was selected by the New Zealand Superannuation Fund as investment manager of a significant rural investment mandate and NZSF remains a major client. In 2017 FarmRight expanded capability into viticulture and horticulture.



The business has expanded from the original three managed dairy farms to 59 properties presently in New Zealand which include dairy farms, beef farms, orchards, vineyards and hop gardens. FarmRight now focuses on providing a full range of investment and management solutions to well-governed, long-term investors. This includes investors in portfolios of farms across various agricultural sectors as well as traditional equity partnerships. FarmRight staff have an extensive range of experience including specialised consultancy, farm management, development and administration.

FarmRight Ltd

FarmRight has been involved with management and operation of SSDL since its inception in 2014, and prior to that managed the dairy farming businesses that were merged to become SSDL.

FarmRight's management of the SSDL business includes:

- Regular communication and detailed monthly reporting to shareholders
- Cashflow monitoring and accounts payable
- Human Resources - covering payroll, employment agreements and health and safety
- On-farm consultancy by dairy farming specialists
- Preparation of budgets and accounts for Board approval
- Specialist sustainability support



NZ Dairy Industry

New Zealand dairy farming has one of the lowest costs of production and an established international reputation for quality and innovation.

- Among the world's most carbon-efficient agricultural producers
- One of the lowest costs of production of any major milk production region globally
- A good natural environment, temperate climate, good soils and water provide the best conditions for pasture growth
- Grass fed dairy products are recognised as premium, which aligns with changing customer preferences
- Good access to emerging consumer markets



Why Southland?

- Southland's economy is heavily dominated by agriculture and manufacturing, ensuring strong agricultural support, as well as a strong commercial hub
- Agriculture is a high priority for local and central government politicians in setting policy
- Farming systems in Southland are predominantly grass-based, ensuring consistent milk supply all year round with supplementary feed utilised in the shoulders of the season
- Southland's affordable, productive soils combined with good year-round rainfall results in consistent grass growth for efficient and economic feed production, enabling a low-cost structure
- The recreational attributes of the Southland region are compelling for the attraction and retention of staff, including tramping, fishing, and proximity to national parks and ski fields

Our Community We are part of our community, running an environmentally sustainable business, creating employment, and supporting local causes.

Shareholding Available

The equity raise is for NZD\$20,000,000 with a minimum investment parcel of NZD\$2,000,000. This opportunity is for wholesale investors only. A new valuation will be completed as at the 1st of June 2024 to establish share value. The business value as at the 31st of May 2023 is listed below.

Category	Value
Land and buildings	\$109,930,000
Plant and equipment	\$2,014,159
Stock	\$13,358,029
Fonterra shares	\$5,823,843
Other shares	\$748,993
Total	<u>\$131,875,024</u>

SSDL Properties

Property	Location	Area	Cows Milked	FY23 Milk Production	Land Value
North South Farms	Lowther, Southland	505 ha	1,250	374,684 kgMS	\$15,150,000
Five Rivers Dairies	Lowther, Southland	537 ha	1,250	346,080 kgMS	\$15,250,000
Irthing Downs	Lowther, Southland	354 ha + 188 ha leased	Support		\$7,000,000
Mount Bee Dairies	Lowther, Southland	305 ha	610	207,720 kgMS	\$9,250,000
Ten K Dairies	Mossburn, Southland	575 ha	1,250	401,295 kgMS	\$17,000,000
Riversdale Dairies	Riversdale, Southland	417 ha	1,050	329,182 kgMS	\$13,200,000
Two Rivers Dairies	Riversdale, Southland	322 ha	1,000	282,017 kgMS	\$11,200,000
Tussock Creek Dairies	Tussock Creek, Southland	303 ha	800	312,233 kgMS	11,750,000
Owaka Dairies	Owaka Valley, Otago	365 ha + 17 ha leased	700	202,538 kgMS	\$6,500,000
Oxford Farms	Lumsden, Southland	149 ha	Support		\$3,250,000
Farm Street	Lumsden, Southland	0.1 ha	House		\$380,000
Consolidated		3,832 ha + 205 ha leased	7,910	2,455,746 kgMS	\$109, 930,000

Sale Process

Sale Details

On offer is an equity investment of NZD\$20,000,000 of new capital in Southern Sky Dairies Limited, with a minimum investment of NZD\$2,000,000.

The value of shares will be based on a valuation as at the 1st of June 2024. Subject to board approval.

Viewing the Southern Sky Portfolio

Viewing is strictly by qualified appointment only, please contact Jim or Tony to register your interest and for further details.

Jim Lee

FarmRight Chief Executive

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Tony Cleland

FarmRight Farm Investment Manager and SSDL Board Member

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Appendices

The following pages include:

- Financial performance information for SSDL, including budgeted FY24 performance
- Individual property information and maps

FINANCIAL PERFORMANCE:	Measure	FY20	FY21	FY22	FY23	FY24
Total Income	\$	19,541,176	21,126,329	23,573,340	24,683,000	23,211,917
Farm Working Expenses	\$	(10,470,851)	(10,251,222)	(12,351,279)	(14,106,341)	(12,861,237)
Other Overhead Expenses	\$	(602,912)	(631,942)	(628,621)	(948,659)	(947,012)
Total Expenses	\$	(11,073,763)	(10,883,164)	(12,979,900)	(15,055,000)	(13,808,248)
EBITDA ¹	\$	8,467,413	10,243,165	10,593,440	9,628,000	9,403,669
Depreciation	\$	(596,015)	(625,760)	(516,607)	(276,968)	(227,656)
Financing Costs	\$	(1,729,623)	(1,203,127)	(1,197,726)	(3,012,000)	(4,000,184)
NPBT²	\$	6,141,775	8,414,278	8,879,107	6,339,032	5,175,828

¹ Earnings before interest, tax, depreciation and amortisation.

² Adjusted where applicable for client specific exclusions.

Total Income	\$/kgMS	7.98	9.05	10.39	10.05	8.25
Farm Working Expenses	\$/kgMS	(4.28)	(4.39)	(5.44)	(5.74)	(4.57)
Other Overhead Expenses	\$/kgMS	(0.25)	(0.27)	(0.28)	(0.39)	(0.34)
Total Expenses	\$/kgMS	(4.52)	(4.66)	(5.72)	(6.13)	(4.91)
EBITDA	\$/kgMS	3.46	4.39	4.67	3.92	3.34
Depreciation	\$/kgMS	(0.24)	(0.27)	(0.23)	(0.11)	(0.08)
Financing Costs	\$/kgMS	(0.71)	(0.52)	(0.53)	(1.23)	(1.42)
NPBT	\$/kgMS	2.51	3.60	3.91	2.58	1.84

Total Income	\$/ha	6,989	7,556	8,431	8,154	7,694
Farm Working Expenses	\$/ha	(3,745)	(3,666)	(4,417)	(4,660)	(4,263)
Other Overhead Expenses	\$/ha	(216)	(226)	(225)	(313)	(314)
Total Expenses	\$/ha	(3,961)	(3,892)	(4,642)	(4,974)	(4,577)
EBITDA	\$/ha	3,028	3,664	3,789	3,181	3,117
Depreciation	\$/ha	(213)	(224)	(185)	(91)	(75)
Financing Costs	\$/ha	(619)	(430)	(428)	(995)	(1,326)
NPBT	\$/ha	2,197	3,009	3,176	2,094	1,716

Total Income	\$/cow	2,706	2,951	3,400	3,280	2,978
Farm Working Expenses	\$/cow	(1,450)	(1,432)	(1,782)	(1,874)	(1,650)
Other Overhead Expenses	\$/cow	(83)	(88)	(91)	(126)	(121)
Total Expenses	\$/cow	(1,533)	(1,520)	(1,872)	(2,000)	(1,771)
EBITDA	\$/cow	1,172	1,431	1,528	1,279	1,206
Depreciation	\$/cow	(83)	(87)	(75)	(37)	(29)
Financing Costs	\$/cow	(239)	(168)	(173)	(400)	(513)
NPBT	\$/cow	850	1,175	1,281	842	664

IRR - Asset terminal value 9.52%

IRR - Gordon growth 7.76%

FINANCIAL PERFORMANCE	Measure	FY24	FY25	FY26	FY27	FY28
Total Income	\$	23,211,917	25,418,573	25,990,184	26,503,886	27,033,889
Farm Working Expenses	\$	(12,861,237)	(13,433,295)	(13,862,931)	(13,974,593)	(14,441,164)
Other Overhead Expenses	\$	(947,012)	(997,365)	(1,198,676)	(1,219,413)	(1,224,582)
Total Expenses	\$	(13,808,248)	(14,430,660)	(15,061,607)	(15,194,005)	(15,665,746)
EBITDA¹	\$	9,403,669	10,987,913	10,928,577	11,309,881	11,368,143
Depreciation	\$	(227,656)	(256,220)	(251,678)	(230,711)	(211,337)
Financing Costs	\$	(4,000,184)	(3,938,208)	(3,707,640)	(3,435,639)	(3,140,348)
NPBT²	\$	5,175,828	6,793,485	6,969,259	7,643,530	8,016,458
		¹ Earnings before interest, tax, depreciation and amortisation.			² Adjusted where applicable for client specific exclusions.	
Total Income	\$/kgMS	8.25	9.02	9.22	9.40	9.59
Farm Working Expenses	\$/kgMS	(4.57)	(4.77)	(4.92)	(4.96)	(5.12)
Other Overhead Expenses	\$/kgMS	(0.34)	(0.35)	(0.43)	(0.43)	(0.43)
Total Expenses	\$/kgMS	(4.91)	(5.12)	(5.34)	(5.39)	(5.56)
EBITDA	\$/kgMS	3.34	3.90	3.88	4.01	4.03
Depreciation	\$/kgMS	(0.08)	(0.09)	(0.09)	(0.08)	(0.07)
Financing Costs	\$/kgMS	(1.42)	(1.40)	(1.31)	(1.22)	(1.11)
NPBT	\$/kgMS	1.84	2.41	2.47	2.71	2.84
Total Income	\$/ha	7,684	8,414	8,603	8,773	8,949
Farm Working Expenses	\$/ha	(4,257)	(4,447)	(4,589)	(4,626)	(4,780)
Other Overhead Expenses	\$/ha	(313)	(330)	(397)	(404)	(405)
Total Expenses	\$/ha	(4,571)	(4,777)	(4,986)	(5,029)	(5,186)
EBITDA	\$/ha	3,113	3,637	3,618	3,744	3,763
Depreciation	\$/ha	(75)	(85)	(83)	(76)	(70)
Financing Costs	\$/ha	(1,324)	(1,304)	(1,227)	(1,137)	(1,040)
NPBT	\$/ha	1,713	2,249	2,307	2,530	2,654
Total Income	\$/cow	2,978	3,261	3,334	3,400	3,468
Farm Working Expenses	\$/cow	(1,650)	(1,723)	(1,778)	(1,793)	(1,853)
Other Overhead Expenses	\$/cow	(121)	(128)	(154)	(156)	(157)
Total Expenses	\$/cow	(1,771)	(1,851)	(1,932)	(1,949)	(2,010)
EBITDA	\$/cow	1,206	1,410	1,402	1,451	1,458
Depreciation	\$/cow	(29)	(33)	(32)	(30)	(27)
Financing Costs	\$/cow	(513)	(505)	(476)	(441)	(403)
NPBT	\$/cow	664	872	894	981	1,028

IRR - Asset terminal value 9.52%

IRR - Gordon growth 7.76%



North South Farms Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
1,250	430,000	374,684	1,275	1,250	504.6632	50 bail rotary shed	NA	5	6

1,250 cow self-contained wintering dairy farm that owns additional dairy support

Located 90 km south of Queenstown International Airport, 11 km north of the rural Southland township of Lumsden and approximately 45 minutes drive to Winton. The North South dairy farm is one of the original farms in the group and has consistently preformed year on year as a key anchor behind the growth of the SSDL group and the expansion since it was converted back in 1999. North South Farms Limited also owns a support property referred to as Irthing Downs Ag.

Key Features

- A well maintained centrally located 50 bail rotary dairy shed with automatic cup removers.
- Diverse soils that provide production consistency and ease of wintering year on year.
- 1,275 cows are wintered on farm from 42 hectares of fodder beet. providing wintering security.
- Staff are accommodated across five very good homes on the property which all meet the Healthy Home Standards.
- There is a long-term farm manager that has been a part of the North South team for 15 years. Progressing into management, then into an operations management role across two farms in the portfolio over this time.



1039 Five Rivers Lumsden Highway, Lowther, Southland



504.6632 ha



1,250



374,684 kgMS

North South Farms Ltd



Five Rivers Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
1,250	430,000	348,080	1,280	1,300	537.1390	Modern 54 bail rotary shed	NA	4	6

1,250 cow self-contained wintering dairy farm

Located 88 km south of Queenstown International Airport, 13 km north of the rural Southland township of Lumsden and approximately 45 minutes drive to Winton, Five Rivers Dairies was converted in the 2007/2008 season. The farm has an impressive range of infrastructure and free-draining soils that have proven wintering capability. This farm was a key acquisition back in 2007/2008 as an extension of North South Farms that neighbours the property.

There is also a separate three-bedroom house owned in the Lumsden township used as staff accommodation.

Key Features

- A modern 54-bale rotary dairy shed built in the 2007/2008 season is centrally located on the farm.
- A large-scale farm that offers genuine production upside with further management adjustments over time.
- Top quality access throughout the property with well-maintained lanes and races ensuring accessibility and ease of stock movement across the scale operation.
- 1,280 cows wintered on the farm from approximately 42 hectares of fodder beet providing winter grazing certainty and grazing control.
- Five Rivers Dairies Limited owns a house in the Lumsden township on Farm Street.



27 Diack Road, Lowther, Southland



537.1390 ha



1,250



346,080 kgMS

Five Rivers Dairies Ltd



Irthing Downs

Bulls wintered	Heifer calves grazed Dec – May	R1 heifers grazed May – May	Consents	Additional lease land	Total land hectares owned	Total hectares farmed	Infrastructure	Housing	Staff
450 R1 and 450 mixed age bulls	450	450	No consent required	188 ha (Selbie lease) run in conjunction	353.7908	541	Water system, cattle yards and range of farm buildings	1	2

A key support property within the Northern Southland hub

This property is owned by North South Farms Limited but is referred to as Irthing Downs Ag. Located 96 km south of Queenstown's International Airport, 23 km north of the Southland rural township of Lumsden and 45 approximately minutes drive to Winton. This dairy support property compliments and supports several of the Northern Southland dairy units with mainly service bulls but also leases an additional 188 hectares providing the much-needed scale to ensure heifer replacements are grown out to optimum weights.

Key Features

- A very well set up dairy support property with a proven ability to grow out service bulls and replacement heifers.
- A sound and functional range of improvements, reliable water, and good subdivision flat and easy rolling contour.
- A very tidy main homestead with a long-term manager in place.
- Leases an additional 188 hectares on a long-term lease providing additional scale.
- Irthing Downs Ag operates a contracting arm inside of SSDL, making approximately 12,000 bales of balage and servicing the cultivation and preparation of winter cropping and regrassing programmes for Ten K Dairies, Mount Bee Dairies, Five Rivers Dairies, North South Farms as well as the dairy support farms which it manages



32 Mulholland Road, Lowther, Southland



353.7908 ha

Irthing Downs



Mount Bee Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
610	220,000	207,720	640	625	305.2566	Modern 54 bail rotary shed	NA	3	3

600 cow self-contained wintering dairy farm

A recent addition to Southern Sky Dairies limited, Mount Bee Dairies has been a financially beneficial acquisition. This property provided an extension of the Northern Southland scale SSDL had built which is further complemented by its superior range of buildings and farm improvements.

Key Features

- A modern high spec 54 bail rotary shed with greenwash, automatic cup removers and a modern effluent system.
- 640 cows wintered on the farm from 22 hectares of fodder beet ensuring winter certainty.
- All three homes across the farm, one built in 2020 are of a very good standard and meet Healthy Home Standards.
- This farm was purchased in 2018 which has complemented the growth and financial performance of the group.



136 Selbie Road, Lowther, Southland



305.2566 ha



600



199,505 kgMS

Mount Bee Dairies Ltd



Ten K Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
1,250	440,000	401,295	1,300	1,300	574.7691	50 bail rotary shed	Centre pivot and a small amount of k-line	4	5

1,250 cow self-contained wintering dairy farm

Located only five minutes drive to the rural Southland township of Mossburn, 67 km to Te Anau and approximately 40 minutes drive to Winton. This farm offers genuine large-scale dairying which is safe guarded with the use of 116 hectares of irrigation and the consistency of the same long term on farm management for the past 16 years. Ten K Dairies also owns a dairy support property on the Lumsden town boundary.

Key Features

- Genuine scale offered with a northerly aspect.
- Wintering 1,300 cows on the farm from 40 hectares of fodder beet ensuring wintering grazing security.
- Production consistency with irrigation operating across 116 hectares of lighter soils.
- The farm manager has been in place for the last 16 years providing great on-farm continuity.
- Efficient cost of production.



931 Sutherland Road, Mossburn, Southland



574.7691 ha



1,250



401,295 kgMS

Ten K Dairies Ltd



Riversdale Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
1,050	370,000	329,182	1,075	1,250	417.0321	50 bail rotary shed	NA	4	6

1,050 cow self-contained wintering dairy farm offering free draining soils and scale

Located in Riversdale this farm presents very well and provides free draining silt loam soils, wintering capability and consistent results. The operation was purchased in June 2001 and offers great scale in a sought after, tightly held district with the same long term on farm management at the helm.

Key Features

- Simple layout, flat contour and great access around the property across free draining silt loam soils.
- Well maintained 50 bail rotary dairy shed with automatic cup removers and efficient effluent system.
- Pasture renewal and fertility is at a very high standard due to the on-farm wintering and pasture renewal.
- Long term on farm management has been in place for the last five years.
- 1,075 cows wintered on farm across 40 hectares of fodder beet providing winter grazing security.



328 Tayles Road, Riversdale, Southland



417.0321 ha

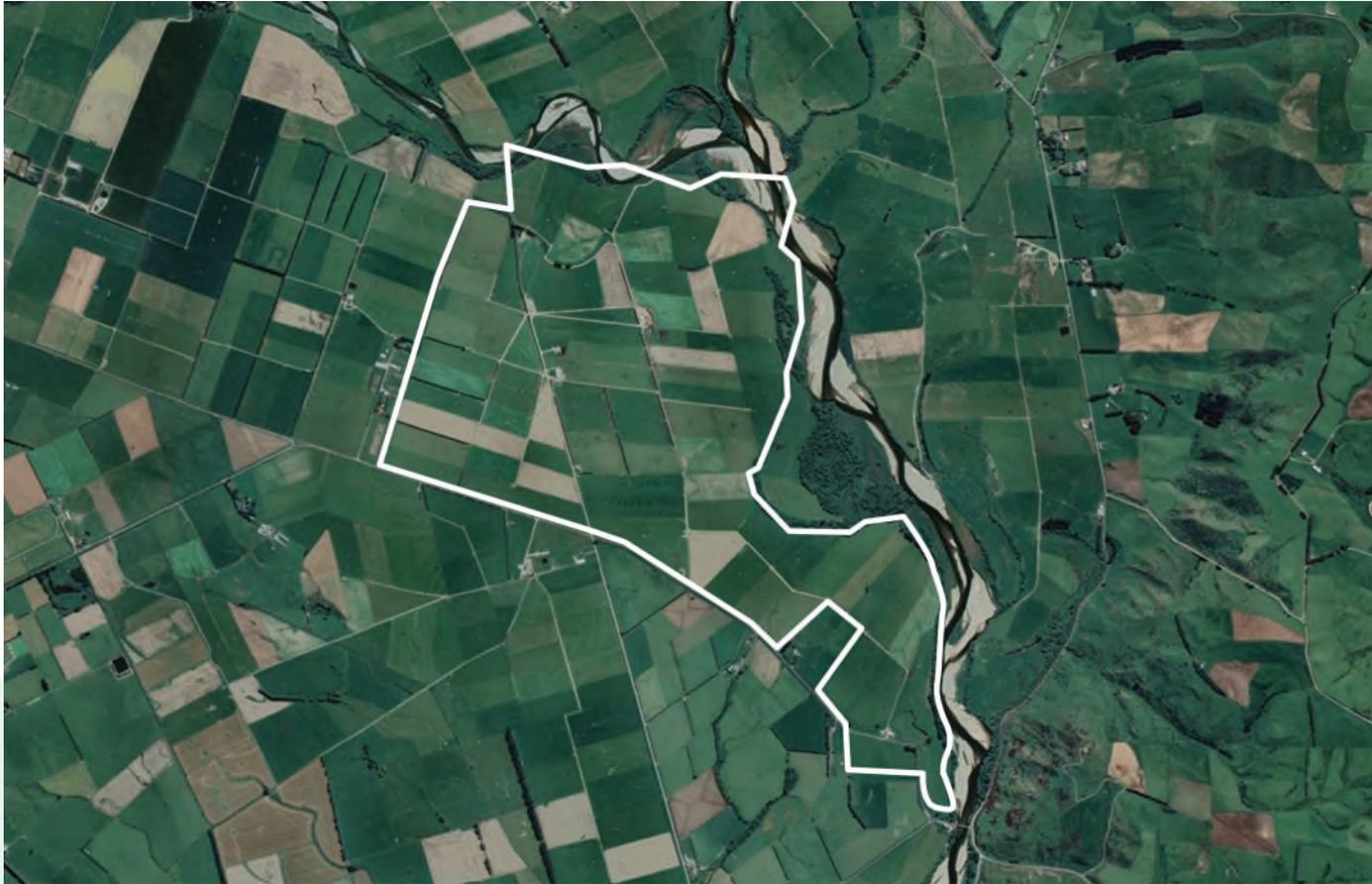


1,050



329,182 kgMS

Riversdale Dairies Ltd



Two Rivers Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
1,000	375,000	282,0178	Cows wintered off farm, within SSDL group	1,200	322.0574	50 bail rotary shed	Approximately 65% irrigated by centre pivot, balance by k- line	4	6

1,000 cow dairy farm under irrigation, ensuring summer reliability and performance

The latest addition within the group, spurred by a strong balance sheet and the ownership of the neighbouring farm, Riversdale Dairies, across the Matura River. This dairy unit was a key acquisition in 2022 ensuring true scale and efficiency of staff is achieved in the Riversdale catchment of the group. Further to this the operation is safe guarded with the use of irrigation, which is a key asset offered.

Key Features

- A new addition to the group on the 1st of June 2022, Two Rivers Dairies have further expanded the scale, efficiency, and financial performance of Southern Sky Dairies Limited.
- There are four homes of a very good standard on the property which all meet Healthy Homes Standards.
- Well maintained 50 bail rotary dairy shed with automatic cup removers and efficient effluent system.
- The property is irrigated by two centre pivots that cover 65% of the farm with the balance covered by K line pods ensuring optimum pasture growth during the summer period.
- The operation peak milked 1,000 cows offering genuine scale.



181 Pyramid, Waiparu Road, Riversdale, Southland



322.0574 ha



1,000



282,017 kgMS

Two Rivers Dairies Ltd



Tussock Creek Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented (SRC)	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
800	315,000	312,233	105	800	302.6242	50 bail rotary shed	NA	3	4

800 cow milking platform dairy unit

A great location being central to both Winton and Invercargill. Strong reliable soils and a simple layout with investment in the ground improving production and financial performance. Tussock Creek Dairies is in the top calibre of farms within the Southern Sky Dairies group. A genuine tier one farm.

Key Features

- Very well-located Central Southland property being only 18 km to Winton and 30 km to Invercargill in what would be described as a Southland tier one dairying area.
- Modern 50 bail rotary dairy shed with greenwash and automatic cup removers.
- The farm has a simple layout, good access across heavier summer reliable soils.
- There has been a large investment in drainage over the last three years ensuring production consistency which has been maintained.
- There are three good homes on the property which all meet Healthy Home Standards.
- A very tidy range of support buildings and facilities.



13 Cooper Road, Tussock Creek, Southland



302.6242 ha

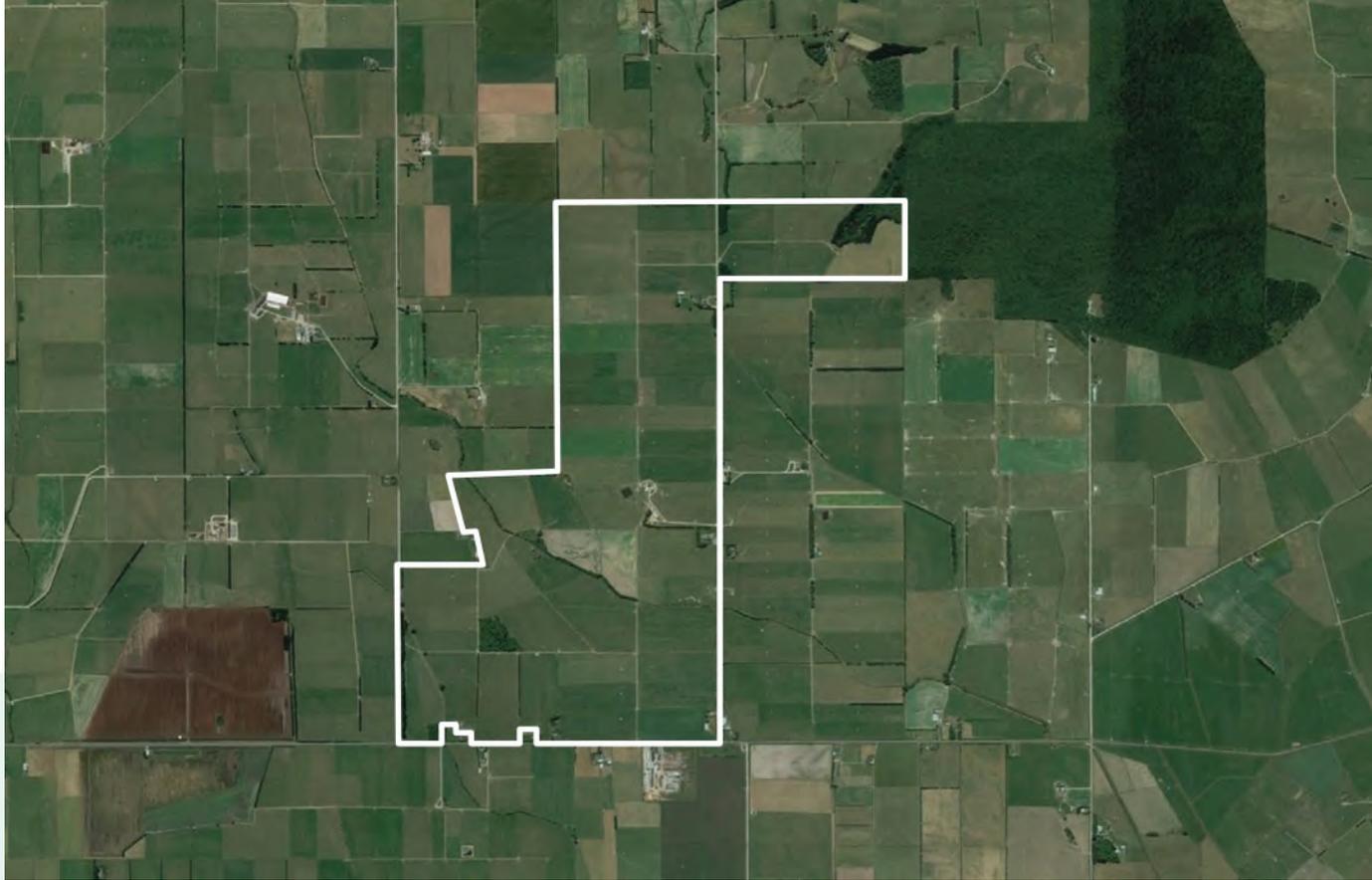


800



312,233 kgMS

Tussock Creek Dairies Ltd



Owaka Dairies Ltd

Peak cows 22/23	Forecast production 23/24	Actual production 22/23	Cows wintered on farm	Cows consented	Total land hectares owned	Infrastructure	Irrigation	Housing	Staff
700	235,000	202,538	700	No consent required	365.4666	50 bail rotary shed	NA	3	3

700 cow self-contained wintering dairy farm offering scale

Located on the northern fringe of the South Otago township of Owaka, this farm offers scale and further production gains and provides geographic diversity to the predominantly Southland based portfolio. This farm is also a great introduction to large-scale dairying and has provided on farm management a genuine platform to graduate from as they progressed into other farm management roles within the group.

Key Features

- Well maintained 50 bail rotary dairy shed, automatic cup removers and simple effective effluent system applied by pods.
- Genuine scale with some possible production gains through ongoing management adjustments of herd size and the transition from once-a-day milking to a twice-a-day milking operation.
- Three houses on the property which are all compliant with Healthy Homes Standards.
- 700 cows wintered on farms across 25 hectares of fodder beet providing wintering control and utilisation of scale.



1024 Owaka Valley Road, Owaka Valley, Otago



365.4666 ha

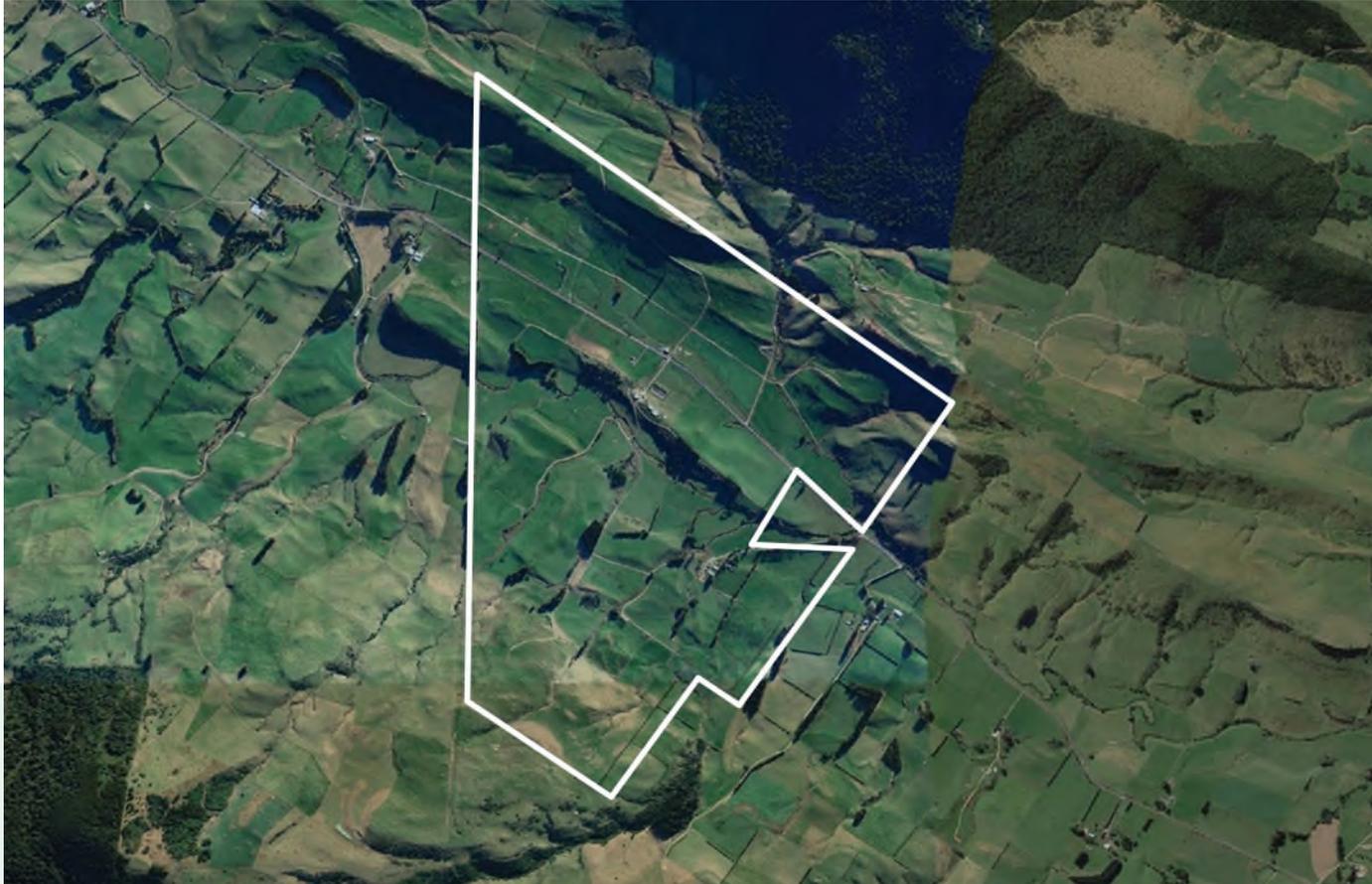


700



202,538 kgMS

Owaka Dairies Ltd



Oxford Farms

Crops grown	Heifer calves grazed Dec – May R1 heifers grazed May – May	R1 heifers wintered	Cows wintered	Consents	Total land hectares	Infrastructure	Irrigation	Housing	Staff
15 ha fodder beet	450 of both age classes	450	180	180 mixed age cows grazed for 10 weeks from Two Rivers	149.0177	Cattle yard, water system sourced from bore	Nil	1	1 works across the other support farms

A free draining flat dairy support property.

Oxford support farm is owned by Ten K Dairies Limited but operated by Irthing Downs Ag. The property borders the rural Southland township of Lumsden to the south and is approximately 35 minutes' drive to Winton. This property grazes both R1 and R2 heifers as well as providing additional winter grazing for mixed age cows from other farms within in Southern Sky Dairies group. This is a very well set up runoff with flat free draining soils, that is simple and easy to manage in conjunction with Irthing Downs Ag a few minutes up the road.

Key Features

- Located adjacent to the Lumsden township with possible subdivision option.
- Free draining silt loam soils.
- A simple layout with ease of management.
- Proven results in growing out replacement heifers.
- Growing 15 hectares of fodder beet and making all supplements on farm.



1 Pluto Road, Lumsden, Southland



149.0177 ha

Oxford Farms



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