

1 April 2021

Market Update

Dividend on Investment in Equipment Leasing and Finance Holdings

On 8 March 2021 Speirs Group Limited received an unexpected cash dividend of \$229,127 from its investment in Equipment Leasing and Finance Holdings Limited.

Remaining Debt Owing from Sale of Rosa Foods Limited

In April 2018, Speirs Group Limited agreed to sell its 40% minority shareholding in Rosa Foods Limited. Speirs Group received an upfront cash payment with the balance paid progressively over a three-year period. The deferred balance is subject to interest payments at market rates. The final settlement of this transaction, being a final principal instalment of \$225,000 and the interest for the March 2021 quarter of \$5,547 were due on 31 March 2021.

Speirs Group Limited wishes to advise that due to difficult trading conditions experienced by the debtor (principally as a result of the Covid 19 pandemic) over the last year, the debtor requested an arrangement to pay this final payment over a five month period, starting 31 March 2021 and ending 31 August 2021. After careful consideration, the Speirs Group Limited Board agreed to the extended payment terms. In accordance with the revised payment schedule, \$50,000 of principal was repaid on 31 March 2021 along with the accrued interest owing at that date. The remaining balance (amounting to \$175,000) is to be paid in four monthly instalments. The outstanding debt remains interest bearing and the securities held by Speirs Group Limited (being a first ranking charge over all of the ordinary shares on issue in Rosa Foods Limited as well as personal guarantees from the ultimate owners of Rosa Foods Limited) remain in place.

Re-financing of 2021 Redeemable Preference Shares

In September 2021 the Redeemable Preference Shares ("2021 RPS") amounting to \$2,500,000 (held by 23 holders) mature and are due for repayment. On 6 April 2021 the Group is to make a new offer of up to \$2.2 million of 2025 Redeemable Preference Shares ("2025 RPS") to existing 2021 RPS holders and other eligible investors on similar terms and conditions to the maturing 2021 RPS. The dividend rate on the 2025 RPS will be 7.5% compared to the 9% that has been paid on the 2021 RPS. Speirs Group Limited is a company based in the Manawatu/Rangitikei area and is primarily involved in fresh food production (as a majority owner of Speirs Foods (2018) LP) and as a minority shareholder in Equipment, Leasing and Finance Holdings Limited. Speirs Foods (2018) LP manufactures and supplies fresh foods, mainly fresh salads, to supermarkets and the food service industry across New Zealand.

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