

NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA

Special Meeting Presentation

24 May 2021










www.nzrlc.co.nz

listed on:



New Zealand Rural Land Company (NZL.NZX)

Recap From IPO Documents

-  New Zealand Rural Land Company (NZL) was incorporated for the purpose of acquiring rural land across New Zealand's agricultural sector;
-  NZL would partner with and lease land to experienced farmers and food producers;
-  NZL would present a differentiated investment proposition to what is currently available on the NZX:
 -  Exposure to agriculture / rural land as an asset class without the direct operational exposure and volatility;
 -  Core focus on securing experienced, well capitalised, long-term tenants to provide security around income;
-  Market forces are creating an opportunity to acquire high quality dairy farms at attractive prices;
-  Although the initial target is dairy land given favorable pricing backdrop, NZL will target other rural land asset classes across cycles;
-  Target minimum gross lease rate of 4.50% per annum + potential NAV growth;
-  NZL will be the only agricultural land based listed property company on the NZX.

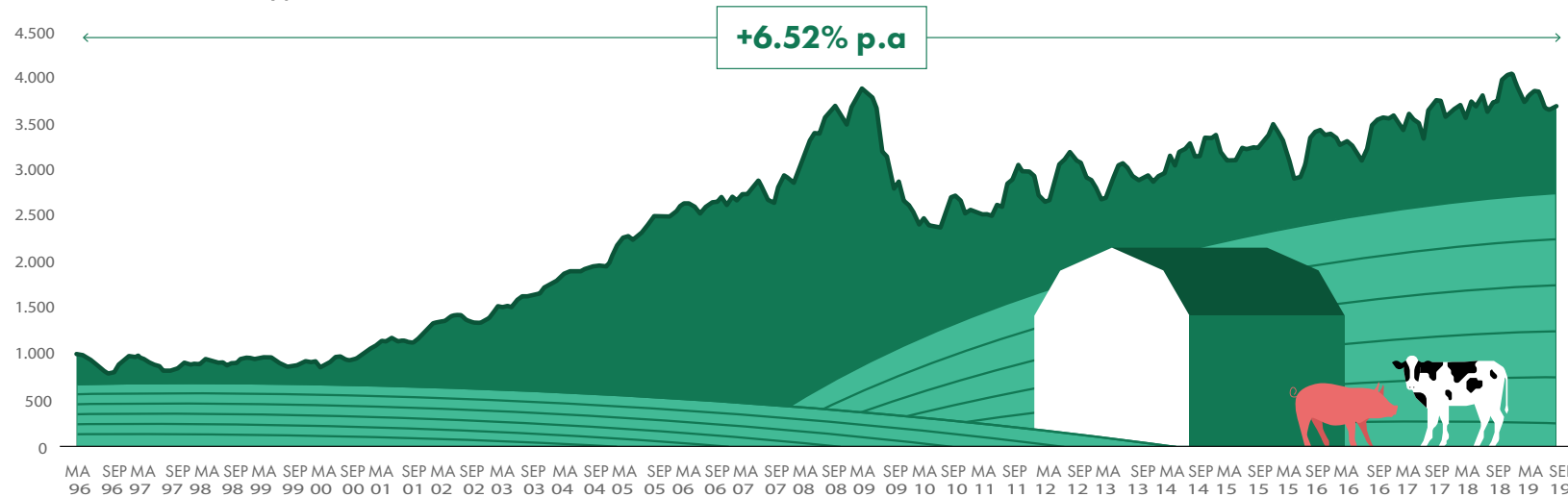


Rural Land is an Attractive Asset

Investing in New Zealand land is still nascent. Investors in the past have been deterred by high up front capital outlays, direct commodity price exposure, on-farm risks (including weather and animal health) and, a lack of liquidity. These barriers have prevented many investors from diversifying their portfolios to include this high-quality asset that offers attractive long-term returns, an effective inflation hedge and uncorrelated returns to broader investment markets.

Attractive long-term returns:

New Zealand All Farm Type Price Index



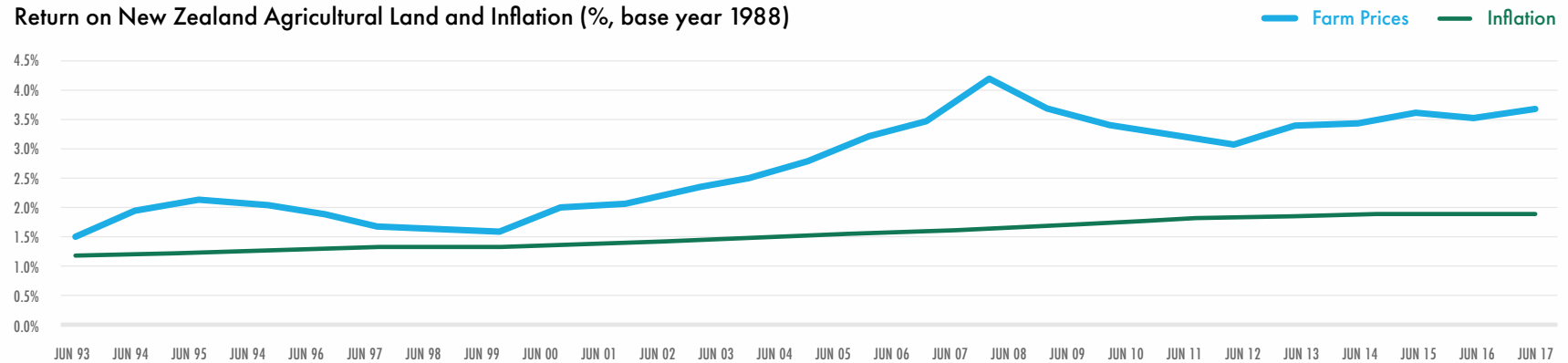
Source: REINZ

Rural Land Assets are an Effective Inflation Hedge

 New Zealand rural land has on average outperformed inflation over the last 25+ years. An investment in rural land can be expected to offer some protection against inflation into the future.

Effective inflation hedge:

Return on New Zealand Agricultural Land and Inflation (% , base year 1988)



Source: Dairy NZ Economic Surveys, Bloomberg



New Zealand Dairy Land is an Attractive Long-Term Asset



Ideal for pasture-based dairy farming

Results in lower production costs

Produces and allows for a premium grass-fed product

Lowest emissions globally for dairy production

Long history of dairy production

Focus on continuous improvement

Supported by vibrant ecosystem for Agri-tech innovation

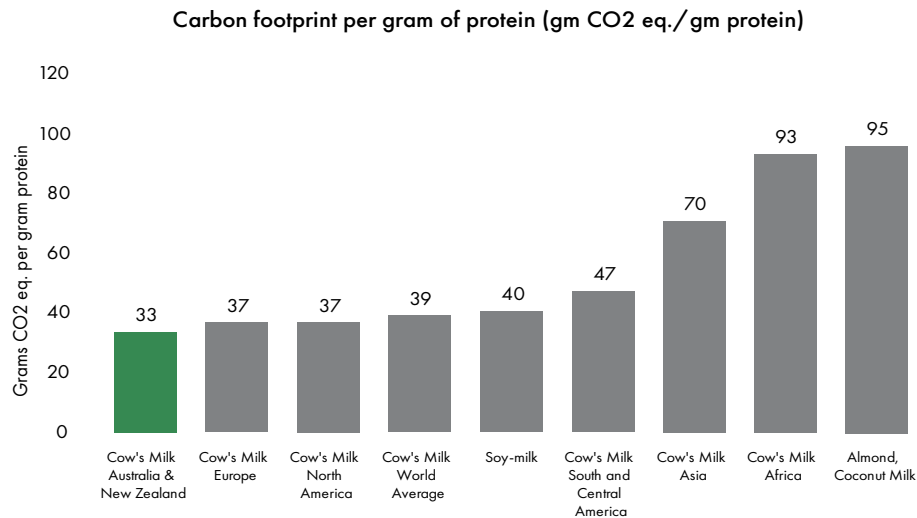
Mitigating environmental risks by reducing surface water contamination and on-farm emissions

Mitigating social risks by increased transparency, community programs and respecting social license

Political risks are mitigated by Dairy's importance to regional economies and employment

Focuses government attention in mitigation of biosecurity risks

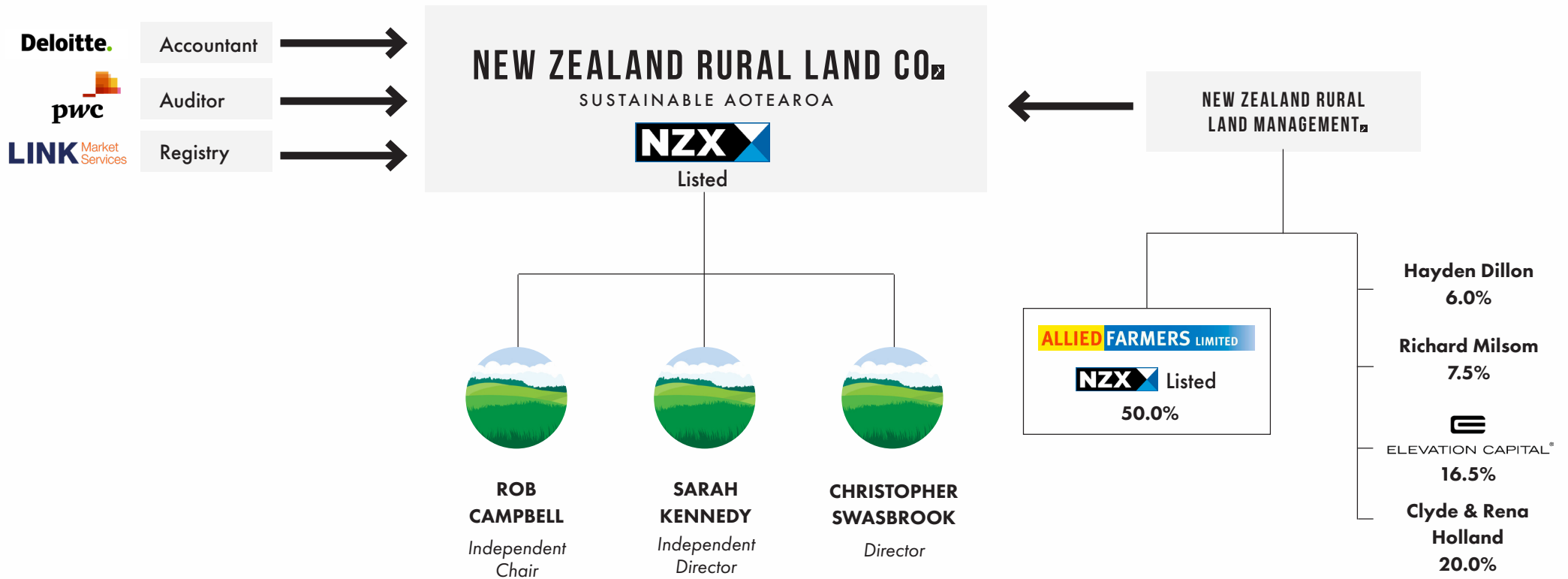
Mitigating risks of climate change with focus on evidence-based transition solutions



Source: NZX Dairy Outlook 2019, A Sustainable Dairy Future

New Zealand has the Lowest Carbon Footprint Per Gram of Protein produced in the World.

NZL - Majority New Zealand Owned, Operated and Domiciled Company



NZL - Key People

NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA



ROB CAMPBELL

Independent Chair

Chair – SKYCITY Entertainment Group
 Chair – WEL Group Limited
 Chair - Tourism Holdings
 Chair - Summerset Group
 Director - Precinct Properties



SARAH KENNEDY

Independent Director

Director - Comvita NZ
 CEO - Calocurb Limited
 Previously CEO - Designer Textiles International
 Previously Vice President International Farming - Fonterra
 Previously CEO / Member of the Board of Directors - Vitaco Health Limited
 Previously CEO - Healtheries of New Zealand Ltd



CHRISTOPHER SWASBROOK

Director

Managing Director – Elevation Capital Management Limited
 Board Member – Financial Markets Authority
 Director – Bethunes Investment Limited, Director Allied Farmers, RAL Limited and Swimtastic Limited
 Previously a Partner of Goldman Sachs JBWere Pty Limited & Co-Head of Institutional Equities at Goldman Sachs JBWere (NZ) Limited

NEW ZEALAND RURAL LAND MANAGEMENT



SHELLEY RUHA

Independent Chair

Director - Heartland Bank
 Director - Icehouse
 Director - 9 Spokes
 Previously - Senior Management Team and leader of BNZ Partners - BNZ



RICHARD MILSON

Executive Director

Consultant - Elevation Capital Management Limited
 CEO – Bellevue Enterprises Limited – Bovine & Porcine Genetic Improvement & Sustainable Pork Production Company
 INFINZ Board Member
 INFINZ Emerging Leader 2017



MARISE JAMES

Director

Director - Allied Farmers
 Partner - Baker Tilly Staples Rodway Taranaki,
 Chair - Firstlight Wagyu NZ Limited,
 Previously:
 Founding director - Fonterra Co-operative Group
 Director - FMG Insurance Limited
 Director - Landcorp Farming Limited
 Director - TSB Bank + TSB Trust
 Chaired the Audit Committees of FMG and Landcorp.



HAYDEN DILLON

Consultant

Managing Partner Findex (Waikato) & Head of Agribusiness New Zealand for Findex.
 Independent Director - Williams Holdings Limited
 Independent Director - Aquila Sustainable Farms Limited and associated Limited Partner Farms.
 Independent Director Rowing New Zealand.
 Trustee - South Waikato Investment Fund
 Chairman - Bioceta Limited
 Previously - Senior Partner Bank Of New Zealand – Waikato
 Previously - Corporate Relationship Manager Food Fibre & Beverage National Australia Bank - Melbourne
 Fellow FINZIA



CHRISTOPHER SWASBROOK

Consultant

Managing Director – Elevation Capital Management Limited Board Member – Financial Markets Authority (FMA)
 Director – Bethunes Investments Limited, New Zealand Rural Land Company Limited and Swimtastic Limited
 Previously a Partner of Goldman Sachs JBWere Pty Limited & Co-Head of Institutional Equities at Goldman Sachs JBWere (NZ) Limited



RURAL VALUER

Independent Consultant

FARM CONSULTANT

Independent Consultant

AGRICULTURAL ENVIRONMENTAL SPECIALIST

Independent Consultant

RURAL PROPERTY MANAGER

Rural Property Manager

NEW ZEALAND RURAL LAND CO.

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**Announced Acquisition
Now Unconditional**

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listed on:



Southland Acquisition & Tenant Summary

PROPERTY OVERVIEW

New Zealand Rural Land Company has an unconditional agreement to acquire a 456 Ha dairy farm in Mokoreta, Southland. The farm contains a 64 Bail Rotary Dairy Shed, a 13 Bay Purpose Built Calf Shed, 4 houses, and other ancillary buildings.

NZL has a signed lease with Fortuna Group, an experienced partner for NZL as we look to expand our ownership of quality rural assets in the Southland region. The lease will commence from settlement of the acquisition.

This farm is a large operation, enabling economies of scale with close proximity to two dairy factories.

TRANSACTION OVERVIEW

PURCHASE PRICE (NZ\$) [INCLUDING TRANSACTION COSTS]

\$10,373,062.50

LEASE VALUE (NZ\$ PA)

\$515,667

LEASE RATE

4.97%

LEASE TERM

10 Years - CPI Adjustment Years 3, 6, 9

SETTLEMENT DATE

1 June 2021

TENANT OVERVIEW

Fortuna Group is a Southland based company that operates more than 18 (wholly-owned and majority-owned) dairy farms in the Southland region. The company runs more than 10,000 dairy cows over 3,626 hectares, and operates 920 hectares of support land over three farms.

Fortuna meets all of NZL's tenant criteria as was outlined in NZL's IPO documents.



Robust Governance



Sustainability Focus



Operating Performance
& Experience



Strong Balance Sheet

You can learn more about Fortuna Group at:
<https://fortunagroup.net.nz/>



PROPERTY DETAILS



TOTAL HA

456



CONTOUR

Easy Undulating -
Rolling



HOUSES

4



SOILS

Predominantly Kaiwera
Soils with a small strip of
Waimahaka Hill Soils.



WATER SOURCE

Bore



LOCATION

Mokoreta,
Southland

SOUTHLAND



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**Proposed Acquisitions that
Shareholders are Voting on Today**

www.nzrlc.co.nz

listed on:



South Canterbury + North Otago Transaction Overview

Under the proposed acquisition NZL will acquire fourteen large scale dairy assets in South Canterbury and North Otago totaling approximately 6,350 hectares. The properties are a mixture of traditional seasonal supply pastoral dairy farms, hybrid grass based grazing and cut winter barn farms, and dairy support blocks.

The 14 farms will be acquired from 6 entities at a cost to NZL of NZ\$114.00M (subject to adjustments). The transaction is due to settle on 1 June 2021.

The farms will be leased to three tenants for an aggregate rental of NZ\$ 5.62M per annum. The three tenant entities meet NZL's criteria for tenants and the leases have an initial term of 11 years with two rights of renewal of 12 years.

TOTAL PURCHASE PRICE (NZ\$)

\$114,000,000 [Subject to Final Adjustments]

TOTAL ANNUAL LEASE (NZ\$ PA)

\$5.792M [\$5.62M - Adjusted for Rental Holiday]

GROSS LEASE RATE

>5%

INITIAL TERM

11 Years - CPI Adjustment Years 3, 6, 9

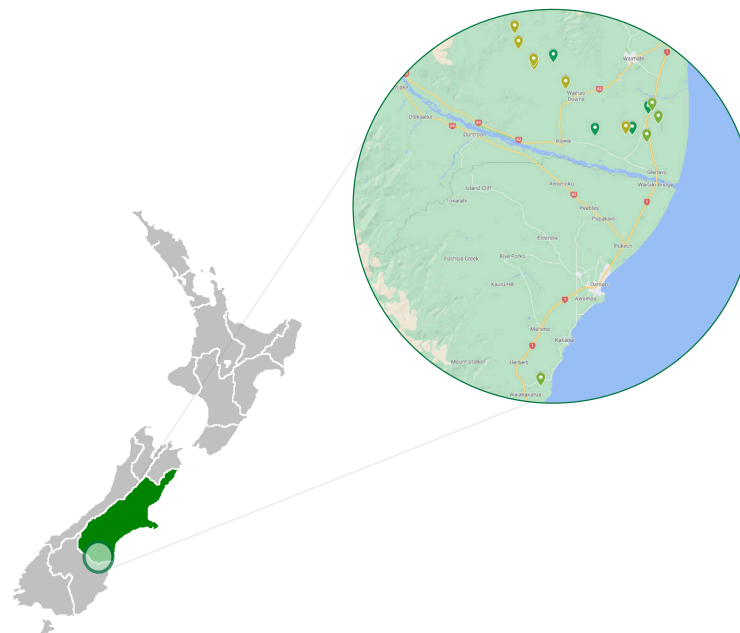
SETTLEMENT DATE

1 June 2021

These 14 properties are being leased in groups of 3, 5, and 6 properties respectively and to three individual tenants with experience on the type of farm they are leasing. NZL has signed leases with:

- **3 farms** leased by Sustainable Grass Dairy Limited (SGDL) NZ\$ 1,167,196 p.a.;
- **5 farms** leased by Performance Dairy Limited (PDL) NZ\$ 3,094,986 p.a.;
- **6 farms** leased by Performance Livestock Limited (PLL) NZ\$ 1,357,727 p.a..

All tenants have a strong balance sheet supporting both the financial and maintenance components of their lease, independent experienced governance, a demonstrable history of farming excellence, efficient production and profitability in their respective geographies.



Asset/s Overview



Appealing Water Catchment Areas with regard to the Resource Management Act and Local & District Plans and shareholdings in irrigation schemes providing assistance with compliance and the potential for future nutrient headroom.



These acquisitions contain a number of 'support land' dairy farms. 'Support land' is for grazing dairy animals that are not in milk. We believe the importance and therefore value of 'support land' will increase over time as increasing environmental regulations and disease risk increases off-farm support land importance.



The farms have quality soils that predominantly fall into two categories:

The flat land soils are silt loam soils – e.g. Steward, Pukeuri, Darnley, Pahau, well suited to irrigation and intensive livestock farming. Some of these soils are also well suited to arable cropping.

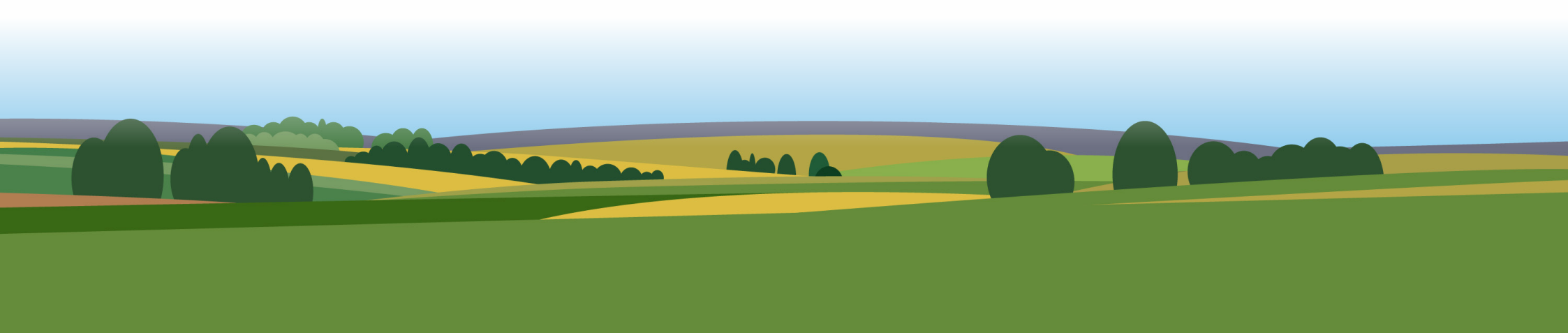
The hill land soils are silt loam soils – e.g. Timaru, Claremont, Kauru, Ngapara. These soils are suited to irrigation and intensive livestock farming.



The localities of dairy farms in prominent dairy regions offers a variety of dairy supply options including Fonterra, Oceania (who pays a +\$0.15 premium to Fonterra), and Synlait. The locations are well recognised for their soils, water, and their ability and proximity to centers to attract staff.



The majority of the dairy farms being acquired are irrigated. Many source water from the Morven Glenavy Ikawai Irrigation Company (MGI) and bore water - both of which are low-cost and high-reliability water sources.



Property & Tenant Summary

SUSTAINABLE GRASS DAIRY LIMITED (SGDL)

<https://www.sustainablegrassdairy.co.nz/>

PROPERTIES OVERVIEW

SGDL will lease three farms in South Canterbury totaling 873 Ha with proximity to Oceania (who have a history of paying a +NZ\$0.15 premium to the Fonterra Milk Price).

The farms are located in the South Canterbury area with all of the farms drawing water from the Morven-Glenway-Ikawai (MGI) water scheme providing a low-cost and high reliability access to water.

Sustainable Grass Dairy Limited (SGDL) is the tenant of the below pastoral dairy farms.

SGDL has local geographical experience in regards to best-practice management and optimal production on this portfolio of farms making them an attractive tenant who are best placed to manage the farms efficiently.

The tenant has significant experience in the dairy industry in regards quality dairy farm performance, with strong independent governance containing a wealth of knowledge in the New Zealand dairy industry, animal welfare, people and environmental management.

DIRECTORS

Mark Heer - Independent Director

Wilma Van Leeuwen Jr - Executive Director

Paul Tocker - Independent Director

Aad Van Leeuwen - Non-Executive Director

OVERVIEW

TOTAL ANNUAL LEASE (NZ\$ PA)
\$ 1,167,196

GROSS LEASE RATE
>5%

LEASE TERMS:
11 Years (with two 12 year rights of renewal with a total potential term of 35 years)

PROPERTY DETAILS



LOCATION



TOTAL HA



IRRIGATION



FARM TYPE



HOUSES



ANCILLARY BUILDINGS

	LOCATION	TOTAL HA	IRRIGATION	FARM TYPE	HOUSES	ANCILLARY BUILDINGS
Farm 1	Ikawai, South Canterbury	270	Irrigation sourced from MGI Water Scheme	Pastoral Dairy Farm	2	50 Bale Rotary Dairy Shed, Effluent Storage
Farm 2	Ikawai, South Canterbury	324	Irrigation Sourced from MGI Water Scheme	Pastoral Dairy Farm	2	40 Bale Rotary Dairy Shed, Effluent Storage, Various Sheds
Farm 3	Morven, South Canterbury	279	Irrigation Sourced from MGI Water Scheme	Pastoral Dairy Farm	3	60 Bale Rotary Dairy Shed, Effluent System, Various Sheds

Property & Tenant Summary

PERFORMANCE DAIRY LIMITED (PDL)

<https://www.performancedairy.co.nz/>

PROPERTIES OVERVIEW

PDL will lease five farms in South Canterbury & North Otago totaling 2,049 hectares with proximity to Oceania (who pay a +NZ\$0.15 premium above Fonterra milk price). The farms are located in the attractive South Canterbury area with three of the farms drawing water from the Morven-Glenway-Ikawai (MGI) water scheme providing a low-cost and high reliability access to water.

The five farms consist of four hybrid/barn dairy farms and one support farm.

PDL has local geographical experience in regards to best-practice management and optimal production on this portfolio of farms making them an attractive tenant who are best placed to manage the farms efficiently.

The tenant has significant experience in the dairy industry in regards quality dairy farm performance, with strong independent governance containing a wealth of knowledge in the New Zealand dairy industry, animal welfare, people and environmental management.

DIRECTORS

Mark Heer - Independent Director

Paul Tocker - Independent Director

Dion Van Leeuwen - Executive Director

Aad Van Leeuwen - Non-Executive Director

OVERVIEW

TOTAL ANNUAL LEASE (NZ\$ PA)

\$3,094,986

GROSS LEASE RATE

>5%

LEASE TERMS:

11 Years (with two 12 year rights of renewal with a total potential term of 35 years)

PROPERTY DETAILS



LOCATION



TOTAL HA



IRRIGATION



FARM TYPE



HOUSES



ANCILLARY BUILDINGS

	LOCATION	TOTAL HA	IRRIGATION	FARM TYPE	HOUSES	ANCILLARY BUILDINGS
Farm 1	Waihao Downs, South Canterbury	535	Irrigation Sourced from Waihao Downs Irrigation Company	Support Farm	3	Various Sheds, Cattle Yards, Fertiliser Bunker
Farm 2	Morven, South Canterbury	434	Irrigation Sourced from MGI Water Scheme	Hybrid Dairy Farm	6	60 Bale Rotary Dairy Shed, Office Building & Plant, Effluent Storage, Yard
Farm 3	Waianakarua, North Otago	504	Irrigation sourced from Local River	Hybrid Dairy Farm	5	60 Bale Rotary Dairy Shed, Cattle Yards, Effluent Storage, Feed System
Farm 4	Morven, South Canterbury	142	Irrigation Sourced from MGI Water Scheme	Hybrid Dairy Farm	2	Effluent Storage, Cow Barn, Dairy Feed System
Farm 5	Morven, South Canterbury	434	Irrigation Sourced from MGI Water Scheme	Hybrid Dairy Farm	4	60 Bale Rotary Dairy Shed, Feed Barns, Effluent Storage

Property & Tenant Summary

PERFORMANCE LIVESTOCK LIMITED (PLL)

<https://www.performancelivestock.co.nz/>

PROPERTIES OVERVIEW

PLL will lease six support farms in South Canterbury totaling 3,419 hectares. These support farms will provide management and care for livestock including the development of young dairy stock through to production and finishing beef cattle. We believe the importance and therefore value of “support land” will increase over time as increasing environmental regulations & disease risk increases off-farm support land importance.

The tenant has significant experience in the dairy industry in regards quality dairy farm performance, with strong independent governance containing a wealth of knowledge in the New Zealand dairy industry, animal welfare, people and environmental management.

DIRECTORS

Mark Heer - Independent Director

Rodney Van Leeuwen - Executive Director

Paul Tocker - Independent Director

Aad Van Leeuwen - Non-Executive Director

OVERVIEW

TOTAL ANNUAL LEASE (NZ\$ PA)

\$ 1,357,727

GROSS LEASE RATE

>5%

LEASE TERMS:

11 Years (with two 12 year rights of renewal with a total potential term of 35 years)

PROPERTY DETAILS



LOCATION



TOTAL HA



IRRIGATION



FARM TYPE



HOUSES









ANCILLARY BUILDINGS

	LOCATION	TOTAL HA	IRRIGATION	FARM TYPE	HOUSES	ANCILLARY BUILDINGS
Farm 1	Waihao Forks, South Canterbury	494	N/A	Dairy Farm / Support Farm	2	Dairy Shed, Calf Sheds, Cattle Yards
Farm 2	Morven, South Canterbury	291	N/A	Support Farm	1	Cattle Yards, Stock Yards, Covered Yards
Farm 3	Waihaorunga, South Canterbury	513	Irrigation sourced from Local River	Support Farm	1	Cattle Yards, Wool Shed, Hay Shed
Farm 4	Waihaorunga, South Canterbury	732	N/A	Support Farm	3	Wool Sheds & Cattle Yards
Farm 5	Waihaorunga, South Canterbury	794	N/A	Support Farm	3	Cattle Yards, Various Sheds
Farm 6	Waihaorunga, South Canterbury	595	N/A	Support Farm	2	Sheep Yards, Various Sheds







Additional Assets

These are all properties that NZRLC will purchase if the current unconditional contracts for purchase are not completed or, in respect of Makikihi Road, the Vendor is unsuccessful in refinancing that property itself by 1 August 2021. All leases will be 11 years (with two 12 year rights of renewal with a total potential term of 35 years).







MAKIKIHI ROAD

 PURCHASE PRICE	 LOCATION	 TOTAL HA	 FARM TYPE	 LEASE RATE	 TENANT
\$ 12,000,000	Waimate, South Canterbury	500	Hybrid Dairy Farm	> 5%	PDL

RYANS ROAD

 PURCHASE PRICE	 LOCATION	 TOTAL HA	 FARM TYPE	 LEASE RATE	 TENANT
\$ 9,360,000	Morven, South Canterbury	287	Pastoral Dairy Farm	> 5%	SGDL

LINDIS FARM

 PURCHASE PRICE	 LOCATION	 TOTAL HA	 FARM TYPE	 LEASE RATE	 TENANT
\$ 1,400,000	Waimate, South Canterbury	76	Hybrid Dairy Farm	> 5%	PDL

Should NZL Shareholders Approve the Proposed Acquisitions and they settle on 1 June 2021...

 NZL will have achieved the targets it set out at the IPO, acquiring rural land at scale and leasing it to experienced operators;

 NZL will also have achieved this by mitigating traditional risks:



No on-farm risks

(via either sharemilker or operational partner)



No direct exposure to volatile commodity prices



Limited exposure to environmental risks




No exposure to animal health risks



No direct exposure to farmer co-ops

 NZL shareholders can expect to receive their first interim dividend in Q1 2022;

 NZL has a pipeline of potential rural land acquisitions (in excess of \$100 million) that encompasses: viticulture, dairy + electricity/green energy production;

 NZL Board intends to raise capital post settlement of the current asset purchases to restore debt levels back to initial targets and to prepare for future acquisitions of which Due Diligence is already underway by the Manager (NZRLM).

NEW ZEALAND RURAL LAND CO.

SUSTAINABLE AOTEAROA

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