New Zealand Rural Land Co

The Rural Land Investors

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

www.nzrlc.co.nz

listed on:

NZX

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This report is dated 28 March 2025 and is signed on behalf of the Board of New Zealand Rural Land Company Limited:

Rob Campbell
Independent Chair

Sarah Kennedy
Director

SECTION 1

2024 Review

Chair Report

New Zealand Rural Land Co (NZL.NZX) is pleased to present its Annual Report for the year ended 31 December 2024. NZL recorded a consolidated net profit after tax of $23.1m and Adjusted Funds From Operations (AFFO) of $7.1m, excluding earnings from properties with put/call arrangements in place[1].

FY24 Highlights

- Roc Partners purchased 25% of NZL's portfolio, validating strategy and partnering for future growth;
- CPI linked rental increases of +18.6% on 37.3% of NZL's portfolio took effect in mid-2024. A further 26.5% of NZL's portfolio was subject to a +4.0% increase on 15 April 2024;
- AFFO grew from 4.35 cps in FY23 to 4.94 cps (+13.6%) in FY24. NZL forecasts FY25 AFFO of between 5.25 cps and 5.60cps (FY25 includes further CPI linked rental adjustments and the first full year of higher yielding horticultural acquisitions);
- Portfolio diversification and yield materially increased by forestry and horticultural acquisitions in FY24;
- WALT increased from 11.6 years (31 December 2023) to 12.5 (+8.2%) years at FY24 end, due to the acquisition of forestry and horticultural properties with lease terms of 22 and 30 years respectively;
- 17,503 hectares of rural land now owned, an increase of +9.0% on FY23 16,063;
- Restructured NZL's borrowing arrangements on 20 December 2024 by entering into a syndicated facility agreement with Rabobank and Bank of China. The new syndicated facility reduces NZL's weighted average cost of debt and increases total available debt capital from $133.5m to $140.0m;
- Gearing lowered to 29.6% from 36.2% (-6.6%) with 65.0% of borrowing hedged;
- Dividend reinstated at ~80% of AFFO, equivalent to a full year dividend of 4.00 cps. The final dividend will be paid in April 2025. NZL will continue to offer a dividend reinvestment programme.
- Net asset value per share has grown from $1.25 at IPO to $1.603 (at 31 December 2024); and
- On-market share buyback programme continued, with 88,804 shares repurchased at an average price of $0.89 per share, bringing the total shares repurchased to 710,131 since buyback was initiated in June 2023.

The FY24 result delivered an increased portfolio value, effective risk management, and sustainable growth in value and dividends for shareholders.

A detailed results presentation is available at: www.nzrlc.co.nz/reports-presentations.

Roc Transaction

On 19 January 2024, NZL announced it had entered into an agreement to sell a 25% equity interest in its land portfolio to Roc Partners (Roc). This transaction settled in early HY24 on 9 February 2024.

Roc acquired the equity interest for $44.2m in cash. NZL used the proceeds to repay the $11.8m owing on a convertible note it drew down in April 2023 to partially fund its forestry acquisition. Further proceeds were used to fund orchard and forestry land acquisitions detailed below, with the balance retained as working capital while other opportunities were investigated.

Roc Partners has extensive experience in rural property investment and represent an ideal strategic partner for NZL. The Companies have already co-invested in four acquisitions, successfully growing the portfolio.

Acquisitions

In the first half of the year, NZL announced the acquisition of several additional properties including a 97 hectare horticultural property in Hawke's Bay and a 1,105 hectare forestry estate in Manawatu-Whanganui. NZL supplemented the purchases with an additional 1,501 hectare forestry estate in the same well regarded forestry region. These properties were collectively purchased for $34.9m and were leased to Kiwi Crunch, New Zealand Forest Leasing and MM Forests respectively.

NZL also settled the first tranche of a 126 hectare apple orchard for $4.9m. This initial purchase consisted of approximately 47 hectares, with an annualised year one income of $635k. Settlement of the property included consideration of 2,215,190 shares. The next property is scheduled for settlement in September 2025.
The average weighted lease term and yield for FY24 acquisitions is 24.4 years and 7.8%, respectively (by lease value).

Following these transactions, NZL now owns 17,503 hectares of rural land (25% of which is owned by Roc) with a 12.5 year WALT (by lease value) and 100% occupancy across nine tenants. The new properties add meaningful sector, income and tenant diversification to NZL's portfolio, with forestry and horticulture now holding a 32% and 8% proportion of the company's annual lease income.

CPI Adjustments

NZL benefits from CPI adjustments for all of its properties and has received CPI adjusted rental payments from all 18 properties due for review in FY24. Most of NZL's dairy assets (37.3% of NZL's rent) had rental reviews effective in mid-2024, which resulted in CPI linked rental increases of +18.6%, a further 26.5% of NZL's portfolio was subject to a +4.0% increase on 15 April 2024. Reflecting this the portfolio's total lease value has increased by ~$1.56m or +7.6%. NZL's dairy leases undergo CPI review every three years, in contrast to its horticultural and forestry leases which undergo CPI review annually.

Dividend and Share Buyback Programme

NZL reinstated dividend payments and paid an interim dividend of 1.46 cps. NZL will pay a final dividend of 2.54 cps in April 2025 resulting in a total FY24 dividend of 4.00 cps representing ~80% of FY24 AFFO.

NZL's intention has always been to pay regular semi-annual dividends. NZL's amended dividend policy targets a pay-out of 60% - 90% of AFFO. The pay-out range grants the company greater flexibility to deploy NZL's cash operating earnings in ways considered most beneficial to increasing shareholder value.

The company maintains a selective on-market share buyback programme. During the period NZL repurchased a total of 88,804 shares at an average price of $0.89 per share. Under the programme 710,131 shares have been acquired as at the date of this announcement.

Outlook and Subsequent Events

NZL's strategy is to own quality rural land in New Zealand; growing a diverse portfolio while delivering attractive risk-adjusted returns as a ground lessor. Recent acquisitions are delivering on this strategy.

The outlook for agriculture is positive with property prices forecast to continue increasing and higher commodity prices improving the servicing ability of NZL's tenants.

NZL's leases incorporate regular CPI reviews. That means inflation results in rental growth. NZL is also protected from inflation-impacted, and all other operational on-farm costs by owning only the land.

Post the most recent acquisitions and Roc transaction, NZL forecasts FY25 AFFO of between $7.5m and $8.0m, this excludes earnings from properties with put/call arrangements in place (~$1.4m).

Subsequent to balance date NZL settled a transaction which involved the acquisition of land from an existing tenant for approximately $15.5 million. As consideration, NZL transfered two properties held for sale and cash to the tenant. This transaction sees NZL receive increased rental revenue.

This transaction was settled on 7 March 2025.

Rob Campbell
Chair

SECTION

2 STATUTORY INFORMATION

for the period ended 31 December 2024

DIRECTORS

NZL's shareholders elect Directors to look after their interests. Directors are expected to:

- Ensure the strategic goals of NZL are clearly established and strategies are in place to achieve them;
- Approve and monitor NZL's financial statements, corporate governance and other reporting, including reporting to Shareholders and other stakeholders in accordance with its statutory functions;
- Establish procedures and systems to promote a culture and remuneration practice within NZL which facilitates the recruitment, professional development and retention of staff;
- Ensure that NZL has appropriate risk management and regulatory compliance policies in place and monitor the integrity of these policies;
- Familiarise itself with issues of concern to Shareholders and significant Stakeholders, including customers, staff, lessee's and the community; and
- Monitor the performance of NZL's Manager.

Rob Campbell, appointed in September 2020, has more than 40 years' experience in investment management and corporate governance. He is the Chair of Ara Ake and Chancellor of Auckland University of Technology. Rob trained as an economist and has worked in a variety of capital market advisory and governance roles over a long period.

Sarah Kennedy, appointed in September 2020, is the Founder and Managing Director of Calocurb Limited, a bioactive developed by Plant and Food Research selling internationally. She is the former CEO of Lifestream International, a New Zealand-owned company specialising in bioavailable, ethical, plant-based health foods. Sarah has also been chief executive of Designer Textiles International. From 2011 to 2014, she held a number of senior roles with Fonterra, such as vice president of international farming based in China, managing director of dairy nutrition, and managing director of RD1 — Fonterra's chain of rural retail stores. Before that, Sarah was managing director of Healtheries/Vitaco for a decade. Sarah is a veterinarian by training.

Christopher Swasbrook, appointed in September 2020, is one of the founders of New Zealand Rural Land Company and New Zealand Rural Land Management. He is also the Founder and Director of Elevation Capital Funds Management Limited. He was previously a Partner of Goldman Sachs JBWere Pty, co-head of institutional equities at Goldman Sachs JBWere (NZ) and a foundation broker of the NZX. He has been a board member of the Financial Markets Authority since 2019. He is also Chair and Director of the Auckland Future Fund, Chair of Bethunes Investments Limited, Executive Chair of McCashin's Brewery Limited, Chair of the Auckland Art Gallery Advisory Board and Chair of The Helen Clark Foundation.

Tia Greenaway, appointed in September 2021, is the CFO for Tupu Angitu Ltd, the commercial arm of Lake Taupō Forest Trust. Tia has broad experience in the Māori sector and holds various roles on Iwi and Ahu Whenua Trusts and Committees operating mainly in farming, forestry and property management. Tia is a member of Chartered Accountants Australia and New Zealand, has a background in climate change mitigation and adaptation and is passionate about improving well-being outcomes for our taiao and our communities.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

NZL and its tenants share a vision of sustainable practices. These include practices that enhance the health and well-being of the natural environment, animals and communities connected to the land. NZL is prioritising working with tenants who share these values. Additionally, NZL and its tenants agree to binding sustainability pledges in leases. Under the Financial Markets Conduct Act 2013 NZL is a climate reporting entity. In order to comply with the Act NZL must prepare climate reporting within four months of the Company's balance date. The Company's climate statement is currently being prepared and when complete will be available on NZL's website, www.nzrlc.co.nz on or before 30 April 2025.

CORPORATE GOVERNANCE

The Board is committed to the highest standard of corporate governance as established by recognised best practice. The Board is responsible for establishing and implementing NZL's corporate governance frameworks. NZL's corporate governance practices have been prepared in accordance with the Financial Markets Authority's Corporate Governance Handbook, the requirements of the NZX Listing Rules, and, except where specifically stated otherwise in this Report, the recommendations in the NZX Corporate Governance Code (NZX Code).

The Board has implemented governance principles and processes to establish, shape and maintain appropriate governance standards and behaviours throughout NZL that align with the NZX Code. The adoption of governance principles ensures that the Board act in accordance with agreed standards of ethical and moral behaviour, including observing NZL's Code of Ethics.

Copies of NZL's key corporate governance documents, including NZL's Board Charter and Code of Ethics, are available at NZL Policy Documents & Constitution section of NZL's website: www.nzrlc.co.nz/company-policy-documents.

This statement was approved by the Board on 28 March 2025, and was accurate as at that date.

Corporate Governance Structure

The Board are elected by Shareholders of NZL. The Board has overall responsibility for the governance of NZL, while the day-to-day management of NZL has been delegated to the Manager. The respective roles of the Board and the Manager within this corporate governance structure are summarised below.

Role of the Board

The primary role of the Board is to approve and monitor the strategic direction of NZL that is recommended by the Manager and to add long-term value to NZL's shares, whilst having appropriate regard to the interests of all material Stakeholders. Further information on the Board's role and responsibilities is set out in the Board Charter.

Board Committees

The Board may establish a committee to consider certain issues and functions in more detail. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities. The Board has established two standing committees, and other committees may be established on a case-by-case basis where the Board considers it appropriate to do so.

Audit and Risk Committee

The Board has established an Audit and Risk Committee (Sarah Kennedy (Chair), Rob Campbell and Tia Greenaway), with the role of overseeing financial reporting, accounting policies, financial management, and internal control systems. The Audit and Risk Committee responsibilities are outlined in the Audit and Risk Committee Charter available on NZL's website.

Remuneration Committee

The Board has established a Remuneration Committee (Rob Campbell (Chair) and Sarah Kennedy), with the role of recommending Director remuneration packages to Shareholders. The Remuneration Committee responsibilities are outlined in the Remuneration Committee Charter available on NZL's website. NZL also has a Remuneration Policy applicable to Directors available on its website. NZL does not have a Remuneration Policy for executives because executive functions are performed by the Manager, and therefore NZL does not employ any executives. For the same reason, there are no disclosures in relation to the Chief Executive Officer remuneration arrangements.

Board Membership

The Board shall comprise of at least three Directors, with at least two independent Directors, and an intention that one Director is nominated and appointed as a representative of the Manager. The composition of the Board reflects the duties and responsibilities it is required to perform in setting NZL's strategy and ensuring it is implemented.

At the date of this Annual Report, the Board comprises four Directors (three independent Directors and one non-independent Director).

Independence

The Board Charter of NZL sets out the standards for determining whether a Director is independent for the purposes of service on the Board and committees. These standards reflect the requirements of the NZX Listing Rules. A Director is independent if the Board affirmatively determines that the Director has satisfied these standards. As at 31 December 2024, Sarah Kennedy, Tia Greenaway and Rob Campbell are considered by the board to be independent directors. They are considered to be independent due to the following factors:

- They are non-executive directors who are not substantial shareholders and who are free of any interest, business or other relationship that would materially interfere with, or could reasonably be seen to materially interfere with, the independent exercise of their judgement;
- They have not been employed or retained, within the last three years, to provide material professional services to the Company;
- Within the last 12 months, they were not a partner, director, senior executive or material shareholder of a firm that provided material professional services to the Company or any of its subsidiaries; and
- None of these directors:
  - have been, within the last three years, a material supplier to the Company or have any other material contractual relationship with the Company or another group member other than as a director of the Company;
  - receive performance-based remuneration from, or participates in, an employee share scheme of the Company; and
  - control, or is an executive or other representative of an entity which controls, 5% or more of the Company's voting securities.

Christopher Swasbrook is a non-Independent Director because of his service provider role with the Manager.

Tenure

Directors are not appointed for fixed terms. However, the Constitution and the NZX Listing Rules require all Directors to stand for re-election at the third annual meeting after appointment or after three years (whichever is longer). A Director appointed by the Board to fill a casual vacancy must also stand for election at the following annual meeting.

Board and Committee Meetings

The Board and committee meetings and attendance in the year to 31 December 2024 are set out below:

Attendee	Board Meetings	Audit and Risk Committee	Remuneration Committee
Rob Campbell	9/9	2/3	1/1
Sarah Kennedy	9/9	3/3	1/1
Christopher Swasbrook	9/9	-	1/1
Tia Greenaway	9/9	3/3	1/1

Independent Professional Advice

Directors are entitled to seek independent professional advice on any aspect of the Directors' duties at NZL's expense, with the approval of the Chair.

During the period no instances have arisen whereby a Board committee or individual director has needed to seek independent legal or financial advice. However, the Board has access to appropriate internal and external expertise to support board assurance activities:

- All executives of the Manager have direct access to the Board and each of the Directors;
- The external Audit Firm Lead Partner has direct access to the Chair of the Audit and Risk Committee, and has "Board only" time without management present at Audit and Risk Committee meetings; and
- The Board has directly sought expert external valuation, corporate finance, tax, and legal advice as required.

Board Assessment

The Board undertook a Board performance review in November 2024. As a result of this survey, the Board agreed a number of actions to address key areas identified for improvement.

Directors' and Officers' Insurance

While acting in their capacities as Directors, NZL provides indemnity and insurance cover for Directors to the fullest extent permitted by law. As permitted by its Constitution, NZL has entered into a deed of indemnity, insurance and access indemnifying each Director for potential liabilities, losses, costs and expenses they may incur for acts or omissions in their capacity as Director, and agreeing to effect directors' and officers' liability insurance for those persons, in each case subject to the limitations set out in the Companies Act 1993.

Role of New Zealand Rural Land Management Limited Partnership

The day-to-day management responsibilities for NZL have been delegated to the Manager under a long-term Management Agreement. The Management Agreement details a comprehensive list of the Manager's duties and responsibilities, and the fees payable to the Manager (which are summarised in the Financial Statements at page 36 of this report). Under the Management Agreement, the Manager is responsible for the:

- Management and administration of NZL including secretariat services;
- Management of properties owned by NZL;
- Sourcing of sale and purchase opportunities, including overseeing the due diligence and execution processes;
- Operation of lease arrangements;
- Communication with investors; and
- Administration of dividends and distributions.

Manager Performance

A key role of the Board is to monitor the performance of the Manager. NZL benefits from having a management team with a great breadth and depth of skills, however the Board recognises that the interests of the Manager and the interests of NZL's Shareholders have the potential to conflict.

The Board is responsible for identifying, assessing and resolving any potential conflicts in relation to NZL's structure, NZL's adopted strategies and the resulting potential fees payable to the Manager. Any matters to be considered under the Management Agreement by NZL are considered and determined by the independent Directors on the Board. Where the Board must vote on any matter relating to the Manager, Chris Swasbrook is interested and must not vote on that matter given his historical relationship with the Manager.

Diversity

NZL has a Diversity Policy, which describes NZL's approach to diversity and inclusion. NZL believes that building and celebrating diversity in the workplace creates an inclusive workplace culture and delivers enhanced business performance. The Diversity Policy applies to the Board and the Manager and should be read in conjunction with NZL's Code of Ethics and all other policies that cover areas such as values, culture and employee expectations. A copy of the Diversity Policy is available on NZL's website.

In accordance with the Company's Diversity Policy, NZL has evaluated its performance against the measurable objectives established under the governance section of the Company's Sustainability Programme. These relate to the Board of Directors because NZL does not employ any staff. NZL has successfully met its diversity targets in relation to both director independence and gender diversity and, while not having specific targets, has noted that there is also diversity of both age and ethnicity among the directors.

The following table provides a quantitative breakdown as at 31 December 2024 as to the gender composition of the Board:

	31 December 2024			31 December 2023		
	Female	Male	% Female	Female	Male	% Female
Board	2	2	50%	2	2	50%
Officers	0	1	0%	0	1	0%

NZX Corporate Governance Code

NZL considers that during the year ended 31 December 2024, NZL materially complied with the Code. NZL does deviate from the Code, by not having a formally established Nominations Committee. Given the current nature and structure of NZL, the Board considers the matters related to nominations are best undertaken by the entire Board.

Risk Management

The Audit and Risk Committee ensures that NZL fulfils its responsibilities in all matters related to risk management. The Committee is responsible for overseeing financial reporting, accounting policies, financial management and internal control systems. Formal control and reporting processes have been introduced to ensure the Board is properly and regularly informed on corporate financial matters.

NZl's key risks as a land owner are identified, scored and reported to the Board as part of NZL's Enduring Land Programme. These are broadly categorised under environmental, economic, social, and animal welfare categories. More detail on this programme can be found at www.nzrlc.co.nz/sustainability. Health and Safety risks are managed and reported to the Board in accordance with NZL's Health and Safety Management Plan. Other risks that may impact NZL's value (including land value, tenant financial capacity, access to capital, unbudgeted capex, and forestry regulation) are assessed by the Manager and reported to the Board with appropriate recommendations. A number of these risk are reflected in NZL's Corporate Policies such as the Acquisitions, Tenant and Leasing Policy, Capital Management Policy, and Dividend Policy.

Health & Safety

NZL owns farming property and leases it to tenants, and the Manager manages the lease arrangement on behalf of NZL. This scenario creates overlapping health and safety duties for the properties. NZL, the Manager, and the tenant have carefully considered each parties' ability to influence and control health and safety matters, and put in place a Health and Safety programme via a Overlapping Duties Agreement on each farm. This takes into account who has control over work activity, control of the workplace and control over workers, and allocates in a detailed register responsibilities based on who is in the best position to control, influence and manage each health and safety obligation to ensure successful implementation and avoid duplication of efforts.

NZL considers Health and Safety a key feature of the Social Sustainability pillar of NZL's overarching Sustainability Programme.

Directors' Relevant Interests

As at 31 December 2024, the Directors of NZL who have relevant interests (as defined in the Financial Market Conduct Act 2013) in quoted financial products of NZL are as follows:

NZL Ordinary Shares	Beneficial Interests	Non-beneficial Interests
Rob Campbell	957,629	-
Sarah Kennedy	45,747	-
Christopher Swasbrook	350,000	2,876,953
Tia Greenaway	8,271	-

As at 31 December 2024, the Directors of NZL held, in aggregate, 2.97% of NZL's ordinary shares.

Directors disclosed the following acquisitions and disposals of relevant interests in NZL shares during the year ended 31 December 2024 pursuant to section 148 of the Companies Act 1993:

NZL Ordinary Shares	Beneficial interests as at 31 December 2024	Change from 31 December 2023	Non-beneficial Interests as at 31 December 2024	Change from 31 December 2023
Rob Campbell	957,629	+15,629	-	-
Sarah Kennedy	45,747	+747	-	-
Christopher Swasbrook	350,000	-1,260,000	2,876,953	+170,453
Tia Greenaway	8,271	+135	-	-

Interests Register

The following are the relevant interests of the Directors of NZL and its subsidiaries:

Rob Campbell

Director of Ara Ake Limited
Chancellor of Auckland University of Technology
Director of RC Custodian Limited
Director of LamCam Limited

Sarah Kennedy

Founder and Managing Director of Calocurb Limited
Director Lanaco Limited

Christopher Swasbrook

Chair of Auckland Future Fund
Director of Bethunes Investments Limited (in liquidation)
Director of Elevation Capital Funds Management Limited (ECML):

- Director and Shareholder
- Through ECML, Chris Swasbrook acts as a financial adviser to Clyde and Rena Holland and indirectly receives financial benefits from advising them. Clyde and Rena Holland are substantial shareholders of the Company.

Director and shareholder of CGS & CVS Limited
Director and shareholder of CGS & CVS Limited No.2 Limited
Swasbrook Securities Limited

- Director and shareholder
- Services contract with New Zealand Rural Land Management Limited Partnership

Executive Chair McCashins Brewery Limited
Chair of Auckland Art Gallery Advisory Board
Chair of The Helen Clark Foundation
Board Member of Financial Markets Authority
Director of Merx Trust Management Limited (from 1 April 2025)

Tia Greenaway

Member of New Zealand Maori Tourism Audit and Risk Committee
Trustee of Ngati Tutemohuta Charitable Trust
Committee Member of Opepe Investment Committee
Director of Piata Horizons Limited
Member of Rongowhakaata Iwi Trust Audit Risk and Finance Committee
Responsible Trustee of Tauhara Middle 14 Trust
Responsible Trustee of Tauhara Middle Lands Trust
Chief Financial Officer Tupu Angitu
Te Iho Tahi Investment Committee

Directors' Remuneration

The remuneration paid to NZL and its subsidiaries' Directors in respect of the year ended 31 December 2024 was as follows (these amounts exclude GST, where appropriate):

Director	Year to 31 December 2024 (NZD)
Rob Campbell	97,500
Sarah Kennedy	65,000
Christopher Swasbrook	Nil*
Tia Greenaway	65,000
Total	**227,500**

Directors also receive reimbursement for reasonable travelling, accommodation and other expenses incurred in the course of performing their duties. The Company has no specific policy on whether or not to pay directors additional fees for the provision of additional services. However, the Company did not pay any additional fees to any Director for the provision of additional services.

Directors do not receive any retirement benefits, and do not receive share options. Whist NZL strongly encourages NZL share ownership to support shareholder alignment, it is not compulsory given that personal circumstances may mean share ownership is not appropriate or achievable.

Any proposed increases in non-executive Director fees will be put to shareholders for approval. At that time a Fee Pool will also be proposed to shareholders for approval (a fee pool has not been required because director fees were established prior to listing on NZX). If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

** Swasbrook Securities Limited, a company controlled by Christopher Swasbrook, is party to a services agreement with the Manager. Under the services contract Swasbrook Securities Limited receives remuneration from the Manager including for Chris Swasbrook acting as a director of NZL. Consequently NZL does not pay Christopher Swasbrook directors fees itself.*

The following Board skills matrix outlines the qualifications, capabilities, geographical location, tenure and gender of each member of the Board:

The following Board skills matrix outlines the qualifications, capabilities, geographical location, tenure and gender of each member of the Board	**Rob Campbell**	**Chris Swasbrook**	**Sarah Kennedy**	**Tia Greenaway**
Director Qualification	CNZM, BA (Hons), MPhil (Economics)	BCom (Economics)	BVSc (Dist), MIT Sloan Fellowship	MPA (Accounting), CA
Strategic knowledge of rural investments	Yes	Yes	Yes	Yes
Strategic knowledge of funds management businesses	Yes	Yes	No	No
Financial	Yes	Yes	Yes	Yes
Risk management/regulatory	Yes	Yes	No	Yes
Sustainability	No	No	Yes	Yes
Legal	No	No	Yes	Yes
People leadership and culture	Yes	Yes	Yes	Yes
Listed company governance	Yes	Yes	Yes	No
Capital markets	Yes	Yes	Yes	No
Geographic location	Auckland	Auckland	Auckland	Taupo
Tenure (years)	51 Months	51 Months	51 Months	39 Months
Gender	Male	Male	Female	Female

Employee Remuneration

NZL, including its subsidiaries, have no employees. NZL is managed by the Manager under the Management Agreement. Details of the fees paid to the Manager are included in the Financial Statements on page 36.

Subsidiaries

NZL has four subsidiaries. The following people were directors of NZL's subsidiary companies in the year to 31 December 2024. These companies are all New Zealand incorporated companies. Except where shown NZL's ownership interest in these companies as at 31 December 2024 was 100%

Subsidiary	Directors
NZRLC Dairy Holdings Limited	R Campbell, C Swasbrook, S Kennedy, T Greenaway
SSP NI Limited	C Swasbrook
New Zealand Rural Land Investments GP Limited (75%)	R Campbell, S Kennedy, T Greenaway, B Mytton
New Zealand Rural Land Investments LP Limited (75%)	R Campbell, S Kennedy, T Greenaway, B Mytton
NZRLC LP Nominee Limited	R Campbell

Donations

NZL, including its subsidiaries, did not make any donations during the six months ended 31 December 2024. NZL has a policy of not making political donations.

Dividends Paid

NZL paid an interim dividend of 1.46 cps. and will pay a final dividend of 2.54 cps in April 2025 resulting in a total FY24 dividend of 4.00 cps.

Company Secretariat Services

Company Secretariat Services are provided by the Manager. The Manager manages the independence of Company Secretariat Services via oversight from the Manager's Board of Directors. The Board of the Manager does not consist of any NZL Directors.

Auditors

The Audit and Risk Committee reviews the quality and cost of the audit undertaken by the NZL's external auditors and provides a formal channel of communication between the Board, senior management and external auditors.

The Audit and Risk Committee approves the auditor's terms of engagement, audit partner rotation (at least every five years) and audit fee, and reviews and provides feedback in respect of the annual audit plan. The Board is aware that a lengthy audit firm tenure has the potential to compromise auditor independence, and therefore will rotate the audit firm after 10 years unless on balance it is not in the interests of NZL to do so. The Committee periodically has time with the external auditor without management present. The Audit and Risk Committee also assesses the auditor's independence on an annual basis.

An External Auditor Independence Policy has been adopted and sets out the services that may or may not be performed by the external auditor.

William Buck was appointed as external auditor for NZL on 15 November 2023 and Darren Wright was appointed as Lead Audit Partner on the same date.

All audit work is fully separated from non-audit services, to ensure that appropriate independence is maintained. The amount of fees paid to William Buck for audit work in FY24 are identified in note 22 of the consolidated financial statements. At the 2024 Annual Meeting shareholders authorised the Directors to fix the auditor's fees and expenses for the ensuing year.

William Buck has provided the Audit and Risk Management Committee with written confirmation that, in its view, it was able to operate independently during the year.

William Buck attended the 2024 Annual Shareholders' meeting and were available to answer any questions.

No non-audit services were provided by William Buck.

NZX Waivers

The Company applied for and was granted a waiver from NZX Listing Rule 5.2.1 during the year ended 31 December 2024. A copy of the waiver can be found in the "Investors" section of NZL's website www.nzrlc.co.nz/nzx-announcements.

Credit Rating

NZL does not have a credit rating.

Substantial Product Holders

The following information is pursuant to section 293 of the Financial Markets Conduct Act 2013. The total number of voting securities of NZL on issue as at 31 December 2024 was 142,953,801. According to notices received by NZL, the following persons were substantial product holders in NZL as at 14 March 2025:

Ordinary shares	Number held
ANZ New Zealand Investments Limited, ANZ Bank New Zealand Limited and ANZ Custodial Services New Zealand Limited	15,929,969
Clyde and Rena Holland	12,247,439
Accident Compensation Corporation	10,683,518
FirstCape Group	8,795,622

Spread of Shareholders

The spread of the Shareholders of NZL as at 14 March 2025 is as follows:

Number of Shares	Number of Holders	Total Shares Held	Percentage (%)
1 - 1,000	136	90,967	0.06
1,001 – 5,000	368	1,047,762	0.73
5,001 – 10,000	232	1,762,226	1.23
10,001 – 50,000	362	7,826,446	5.47
50,001 – 100,000	63	4,445,297	3.12
100,001 and over	83	127,781,103	89.39
Total	**1,244**	**142,953,801**	**100.00**

Spread of Warrant Holders

The spread of the Warrant Holders of NZL as at 14 March 2025 is as follows:

Number of Warrants	Number of Holders	Total Warrants Held	Percentage (%)
1 - 1,000	243	106,112	1.33
1,001 – 5,000	150	343,296	4.29
5,001 – 10,000	27	177,461	2.22
10,001 – 50,000	21	528,809	6.61
50,001 – 100,000	6	460,349	5.76
100,001 and over	8	6,380,200	79.79
Total	**455**	**7,996,227**	**100.00**

Twenty Largest Shareholders

The twenty largest Shareholders of NZL as at 14 March 2025 are as follows:

Shareholders	Number held
New Zealand Permanent Trustees Limited	20,565,651
Accident Compensation Corporation	10,683,518
Premier Nominees Limited	10,061,157
TEA Custodians Limited	8,435,168
B J Lindsay & J J Parsonson & W D Anderson & S M Palmer	6,533,333
Custodial Services Limited	6,446,397
HSBC Nominees (New Zealand) Limited	5,176,506
MFL Mutual Fund Limited	4,734,005
FNZ Custodians Limited	4,159,266
Janice Catherine Walker & Sonya Jane Walker & Duncan Varhan Fea	4,000,000
New Zealand Depository Nominee	3,632,664
Allied Farmers Limited	3,423,630
Wairahi Investments Limited	2,600,000
Custodial Services Limited	2,477,306
FNZ Custodians Limited	2,049,491
DFS Investment Partners LLC	1,950,790
Investment Custodial Services Limited	1,760,581
Clyde Parker and Rena Holland	1,336,356
Premier Nominees Limited	1,122,807
JP Morgan Chase Bank	1,094,296

Twenty Largest Warrant Holders

The twenty largest Warrant Holders of NZL as at 14 March 2025 are as follows:

Warrant Holders	Number held
Accident Compensation Corporation	1,636,731
B J Lindsay & J J Parsonson & W D Anderson & S M Palmer	1,044,444
Premier Nominees Limited	854,965
MFL Mutual Fund Limited	515,502
Custodial Services Limited	329,156
New Zealand Permanent Trustees Limited	299,999
HSBC Nominees (New Zealand) Limited	243,013
FNZ Custodians Limited	220,871
TEA Custodians Limited	204,985
New Zealand Permanent Trustees Limited	196,334
Custodial Services Limited	172,333
FNZ Custodians Limited	131,436
Public Trust RIF Nominees Limited	122,991
John Albert Galt	119,072
Christina Dietzsch Kley	116,667
Elizabeth Beatty Benjamin & Michael Murray Benjamin	100,000
Philip Bowman	91,667
Elevation Capital Limited	83,606
New Zealand Depository Nominee	78,887
Graeme Arthur Cleary	56,333

SECTION

3 Financial Statements

New Zealand Rural Land Company Limited and its subsidiaries
Directors' responsibility statement

The directors are pleased to present the audited financial statements of New Zealand Rural Land Company Limited and its subsidiaries for the financial year ended 31 December 2024.

The Board of Directors of New Zealand Rural Land Company Limited authorised the financial statements for issue on 27 March 2025.

For and on behalf of the Board

Rob Campbell
Director

Sarah Kennedy
Director

New Zealand Rural Land Company Limited and its subsidiaries
Consolidated statement of comprehensive income
For the year ended 31 December 2024

	Notes	2024 $'000	2023 $'000
Rental income	8	19,869	15,350
Total rental income		**19,869**	**15,350**
Less overhead costs			
Directors fees	23.2	(227)	(227)
Insurance		(87)	(85)
Shareholder registry and communications		(74)	(95)
Management fees	23.1	(1,407)	(1,039)
Repairs and maintenance		(396)	(117)
Professional, consulting and listing fees		(686)	(380)
Performance fee	23.1	(660)	(901)
Settlement of convertible loan		(160)	-
Other		(38)	(14)
Total overhead costs		**(3,735)**	**(2,858)**
Profit before net finance expense, other income and income tax		**16,134**	**12,492**
Finance income		2,550	1,879
Finance expense		(10,808)	(11,388)
Net finance expense	9	**(8,258)**	**(9,509)**
Profit before other income and income tax		**7,876**	**2,983**
Other income			
Change in fair value of investment properties	6	23,859	7,388
Movement in redeemable Limited Partnership units	18	(7,724)	-
Other		47	-
Total other income		**16,182**	**7,388**
Profit before tax		**24,058**	**10,371**
Income tax (expense) / benefit	10.1	(979)	483
Net profit		**23,079**	**10,854**
Other comprehensive income		-	-
Total comprehensive income for the period		**23,079**	**10,854**
		Cents	**Cents**
Basic and diluted earnings per share	28	**16.47**	**8.06**

These financial statements are to be read in conjunction with the accompanying notes

New Zealand Rural Land Company Limited and its subsidiaries
Consolidated statement of financial position
As at 31 December 2024

	Notes	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	11	5,520	1,258
Derivative assets	14	151	-
Trade and other receivables	12	1,769	378
Current tax receivable		-	7
Assets held for sale	7	11,355	-
Total current assets		**18,795**	**1,643**
Non-current assets			
Investment properties	6	400,448	346,281
Loan receivable	13	21,685	20,363
Deferred tax assets	10.2	552	1,398
Derivative assets	14	352	71
Other non-current assets		101	75
Total non-current assets		**423,138**	**368,188**
Total assets		**441,933**	**369,831**
Current liabilities			
Trade and other payables	15	3,157	1,090
Borrowings	16	47,101	29,500
Convertible loan	17	-	11,980
Derivative liabilities	14	129	-
Other current liabilities		169	169
Total current liabilities		**50,556**	**42,739**
Non-current liabilities			
Borrowings	16	84,106	104,000
Derivative liabilities	14	2,342	-
Redeemable Limited Partnership units	18	75,797	-
Total non-current liabilities		**162,245**	**104,000**
Total liabilities		**212,801**	**146,739**
Net assets		**229,132**	**223,092**
Share capital	19	161,068	157,419
Share based payment reserve	21	660	901
Retained earnings		67,404	64,772
Total equity		**229,132**	**223,092**
		$	**$**
Net Assets Value (NAV) per share	25.2	**1.6028**	**1.6016**
Net Tangible Assets (NTA) per share	25.2	**1.6127**	**1.5910**

These financial statements are to be read in conjunction with the accompanying notes

New Zealand Rural Land Company Limited and its subsidiaries
Consolidated statement of changes in equity
For the year ended 31 December 2024

	Notes	Share capital	Share based payment reserve	Retained earnings	Total
		$'000	$'000	$'000	$'000
Balance at 1 January 2023		**134,180**	**495**	**56,264**	**190,939**
Comprehensive income					
Total comprehensive income for the period		-	-	10,854	10,854
Total comprehensive income		**-**	**-**	**10,854**	**10,854**
Transactions with shareholders					
Capital raised	19	22,744	-	-	22,744
Performance fee issued in ordinary shares	19	495	(495)	-	-
Performance fee payable in ordinary shares	21	-	901	-	901
Dividends paid	20	-	-	(2,346)	(2,346)
Balance at 31 December 2023		**157,419**	**901**	**64,772**	**223,092**
Comprehensive income					
Total comprehensive income for the period		-	-	23,079	23,079
Total comprehensive income		**-**	**-**	**23,079**	**23,079**
Transactions with shareholders					
Capital raised	19	1,897	-	-	1,897
Performance fee issued in ordinary shares	19	901	(901)	-	-
Performance fee payable in ordinary shares	21	-	660	-	660
Dividends paid	20	-	-	(2,041)	(2,041)
Dividend reinvestment plan issues	20	851	-	-	851
Transaction costs (Land Trust)	5	-	-	(4,291)	(4,291)
Adjustment on recognition of redeemable LP units	5	-	-	(14,115)	(14,115)
Balance at 31 December 2024		**161,068**	**660**	**67,404**	**229,132**

These financial statements are to be read in conjunction with the accompanying notes

New Zealand Rural Land Company Limited and its subsidiaries
Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Lease income received		19,314	15,939
Payments to suppliers		(1,167)	(885)
Management fees paid		(1,331)	(1,026)
Income taxes received		7	6
Interest paid		(9,039)	(8,698)
Interest received		1,234	653
Net cash generated by operating activities	29	**9,018**	**5,989**
Cash flows from investing activities			
Payments for investment properties		(38,723)	(65,441)
Proceeds from disposals of assets		-	29
Net cash used in investing activities		**(38,723)**	**(65,412)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		5	23,346
Payments for share buy-backs		(77)	-
Payment of Land Trust transaction costs		(4,292)	-
Payment of transaction costs on issue of ordinary shares		(23)	(593)
Dividends paid (net of reinvestments)		(1,190)	(2,346)
Proceeds from borrowings		26,902	30,500
Repayment of borrowings		(29,195)	(3,968)
Proceeds from redeemable Limited Partnership units		53,825	-
Proceeds from convertible loan		-	12,000
Repayment of convertible loan		(11,989)	(200)
Net cash generated by financing activities		**33,967**	**58,739**
Net increase / (decrease) in cash and cash equivalents		**4,262**	**(684)**
Cash and cash equivalents beginning of the period		1,258	1,942
Cash and cash equivalents at the end of the period	11	**5,520**	**1,258**

These financial statements are to be read in conjunction with the accompanying notes

1 Reporting entity

These consolidated financial statements are for New Zealand Rural Land Company Limited (the "Company" or "Parent") and its subsidiaries (together the "Group"). The Group's principal activity is investment in New Zealand rural farmland and forestry land.

The Company is incorporated in New Zealand and registered under the Companies Act 1993. The Company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013. The Company was incorporated on 11 September 2020 and is domiciled in New Zealand. The Company is listed on the New Zealand Stock Exchange (NZX Limited) with ordinary shares listed on the NZX Main Board. The address of the Company's registered office is 50 Customhouse Quay, Wellington Central, Wellington, New Zealand.

These financial statements are for the financial year ended 31 December 2024. The comparative period is the financial year ended 31 December 2023.

2 Material accounting policy information

The material accounting policies applied in the preparation of these consolidated financial statements are set out in note 2 or in the accompanying notes. These policies have ben consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance and reporting framework

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the Financial Markets Conduct Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate. These financial statements comply with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. For the purposes of complying with NZ GAAP, the Group is a for-profit entity. These financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and on a going concern basis.

2.2 Functional and presentation currency

These financial statements are presented in New Zealand dollars, which is the Group's functional currency. All amounts have been rounded to the nearest thousand ($'000), unless otherwise stated.

2.3 Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis except for derivative financial instruments and investment properties which are measured at fair value.

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST (the net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments are classified into the following specified categories: ‘fair value through profit or loss' (FVTPL), and 'at amortised cost'. The classification depends on the business model and nature of the cash flows of the financial instrument and is determined at the time of initial recognition.

The Group’s financial assets consist of cash, trade receivables, derivatives and loan receivable.

Financial assets - Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets - Impairment of financial assets
Impairment of financial assets are recorded through a loss allowance account (bad debt provision). The amount of the loss allowance is based on the simplified Expected Credit Loss (ECL) approach which involves the Group estimating the lifetime ECL at each balance date. The lifetime ECL is calculated using a provision matrix based on historical credit loss experience and adjusted for forward looking factors specific to the debtors and the economic environment.

Financial liabilities - Amortised cost
Financial liabilities at amortised cost (including borrowings, related party payables and trade and other payables) are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities - Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3 Critical accounting estimates and judgements

The preparation of these financial statements requires management to make estimates and assumptions. These affect the amounts of reported revenue and expense and the measurement of assets and liabilities. Actual results could differ from these estimates. The principal areas of judgement and estimation in these financial statements are:

- Limited Partnership establishment and associated transactions (notes 5 and 18)
- Fair valuation of investment properties (note 6)
- Determination that land and forest should be classified and measured as investment property (note 6)
- Deferred tax on investment properties (note 10.2)
- Recognition of loan receivable (note 13)

3.1 Fair value estimation

The Group's assets and liabilities that are measured at fair value are investment properties and derivative financial instruments. Investment property is measured using level 3 valuation techniques as further detailed in note 6.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Derivative financial instruments are measured using level 2 valuation techniques, which is based on inputs other than quoted prices in an active market that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Investment properties and redeemable LP units are measured using level 3 inputs (refer to note 6 and note 18, respectively), which are based on valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The carrying value of all other financial assets and liabilities held at amortised cost reasonably approximates the fair value due to the short term nature of the financial instruments.

4 Segment information

The Group operates in one business segment being New Zealand rural land.

Included in the Group's total rental income, more than 10% was received from three significant customers, Performance Dairy Limited, WHL Capital Limited, and New Zealand Forest Leasing (No.2) Limited. The total rental income derived in the year ended 31 December 2024 from these customers was $2.427 million, $3.648 million, and $5.130 million respectively (2023: $3.113 million, $3.648 million, and $3.558 million respectively). No other single customer contributed 10% or more of the Group's total rental income (2023: nil).

Included in the Group's total gross finance income, excluding gains on the fair value of derivative instruments, more than 10% was received as interest income from two significant customers. The total gross interest income derived in the year ended 31 December 2024 from these customers was $0.692 million and $1.334 million respectively (2023: $0.629 million and $1.238 million respectively). No other single customer contributed 10% or more of the Group's total finance income (2023: nil).

5 Significant transaction - Limited Partnership establishment and associated transactions

In January 2024, the Company entered into an agreement to sell a 25% stake in its rural land portfolio to a group of investors in a Land Trust ("Land Trust") for $44.2 million.

The Company used $11.8 million of the proceeds to repay the convertible loan that it drew down in April 2023 to partially fund a forestry acquisition (refer to note 18). The balance of the funds have been used for land acquisitions or is held for future opportunities.

The investment was mechanised through the establishment of a limited partnership, the New Zealand Rural Land Limited Partnership (the "LP"). The portfolio of rural land assets and associated debt was transferred to the LP prior to Land Trust's investment. The Company's investment mandate continues in the LP with the same active strategy and manager (New Zealand Rural Land Management Limited Partnership).

The Company holds 75% of the partnership units and economic interest with Land Trust holding the other 25%. The LP is directed by New Zealand Rural Land Investment GP Limited (the "GP") with the Company and the Land Trust holding shares in the GP at the same proportion as their LP units.

5 Significant transaction - Limited Partnership establishment and associated transactions (continued)

The Company's directors represent the majority of the GP (75%) and can unilaterally direct disposals and subsequent acquisitions of properties for land individually up to $5 million. Furthermore, the Company has the ability to make some changes to lease agreements. The Company has concluded this provides it with sufficient control to direct the relevant activities of the LP and accordingly has concluded that it controls and will consolidate the LP.

Transaction costs of $4.3 million were incurred in respect of this transaction and recorded as a reduction in retained earnings of the Group.

The LP units held by the Land Trust are redeemable (refer to note 18). The Group has elected to reflect this transaction as 2 back-to-back transactions, (1) a recognition by the Group of a non-controlling interest for the LP units held by Land Trust, then (2) an immediate de-recognition of that non-controlling interest with recognition of a liability to redeem the Land Trust's unit. The difference from the sale proceeds, and the share of the Land Trust's net assets in the LP ($58.4 million on transaction date), is reflected as an equity adjustment ($14.1 million), refer to the Statement of Changes in Equity.

6 Investment properties

Investment property is property held either to earn rental income, for capital appreciation or for both.

Investment properties are initially measured at cost and subsequently measured at fair value with any change recognised in profit or loss. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Initial direct costs incurred in negotiating and arranging operating leases and lease incentives granted are added to the carrying amount of the leased asset.

Pastoral and orchard land:

The fair value recorded for the forestry land and apple orchards for the year ended 31 December 2024 was determined as follows:

- Freehold valuations of each property have been established at the reporting date by external independent valuers, Colliers International.
- A residuary value (lessor's interest) has been determined by external experts, KPMG, and added to those freehold valuations. The residuary value is the net present value of the expected surplus cashflows of the excess of the contracted lease rates over the estimated market rents.

The above is a different methodology to utilised in the prior year. The fair value recorded for the pastoral and orchard land for the year ended 31 December 2023 was determined as follows:

- Freehold valuations of each property have been established at the reporting date by external independent valuers, Colliers International. The net present value of the projected terminal value of these properties at the end of the initial contract lease period.
- A residuary value was added to the above amount which was the net present value of the contracted lease rates over the estimated market rents.

Investment properties are derecognised when they have been disposed of and any gains or losses incurred on disposal are recognised in profit or loss in the year of derecognition.

Fair value of land investment properties:
2024

Location	Land area Hectares	Opening balance $'000	Additions[1] $'000	Reclassifications[2] $'000	Lease fee amortisation $'000	Capitalised lease incentive[3] $'000	Revaluation (loss) / gain $'000	Carrying value $'000
Canterbury	5,912	133,116	51	(11,355)	(8)	(177)	6,317	127,944
Otago	4,039	79,298	6,134	-	(4)	-	372	85,800
Southland	1,386	44,166	58	-	(9)	(26)	(889)	43,300
Manawatū-Whanganui	4,768	89,701	14,356	-	(6)	-	9,949	114,000
Hawke's Bay	97	-	18,417	-	-	-	5,884	24,301
South Taranaki	686	-	2,318	-	-	-	1,794	4,112
Rangitikei Districts	195	-	559	-	-	-	432	991
Fair value		**346,281**	**41,893**	**(11,355)**	**(27)**	**(203)**	**23,859**	**400,448**

[1] Includes directly attributable acquisition costs and is reduced by partial disposals.
[2] $11.4 million of investment properties in Canterbury have been reclassified as assets held for sale (refer to note 7).
[3] Net of amortisation.

6 Investment properties (continued)

The fair value of dairies and orchards is represented by the freehold values and the lessors interest.

2024	**Lessors interest**	**Freehold property value**	**Total value**
Valuations	**$'000**	**$'000**	**$'000**
Total	**29,751**	**251,694**	**281,445**

2023	**Lessors interest**	**Freehold property value**	**Total value**
Valuations	**$'000**	**$'000**	**$'000**
Total	**19,760**	**236,820**	**256,580**

In February 2024, the LP acquired apple and forestry land for a total of $31.6 million. The apple orchard land, excluding trees and buildings was approximately 97 hectares has been leased to Kiwi Crunch for 30 years generating $1.4 million of income in year one of the lease agreement. The LP also acquired forestry land of approximately 1,119 hectares and has leased the land to New Zealand Forest Leasing Limited for a period of 16 years, generating $760k of income in year one of the lease agreement.

In June 2024, the LP acquired a 1,500 hectare forestry estate for $7.3 million.

During the year, the LP acquired a 126 hectare apple orchard land for a total of $13.2 million, of which, $4.9 million (47 hectares) was settled in November 2024. Part of this purchase price was settled through the issue of 2,215,190 shares in the Company (refer to note 18). This initial settlement has an annualised year one income of $635,000. The remaining $5.7 million (79 hectares) is due to be settled in September 2025, with a deposit of $2.6m having been paid in advance in November 2024. The apple orchard will be leased to SI Orchards for 30 years, generating total lease income of $1.13 million in year one of the lease agreement.

At the end of the 30 year lease period, ownership of the trees (orchard) will be transferred to the Group.

Fair value of rural and forestry land investment properties and other improvements:

2023

Location	**Land area Hectares**	**Opening balance $'000**	**Additions [1] $'000**	**Lease fee amortisation $'000**	**Capitalised lease incentive [2] $'000**	**Revaluation (loss) / gain $'000**	**Carrying value $'000**
Canterbury	5,765	140,887	277	(6)	(176)	(7,866)	133,116
Otago	3,500	80,786	-	(3)	-	(1,485)	79,298
Southland	1,386	45,687	9	(19)	(120)	(1,391)	44,166
Manawatū-Whanganui	3,137	-	71,573	(2)	-	18,130	89,701
Fair value		**267,360**	**71,859**	**(30)**	**(296)**	**7,388**	**346,281**

[1] Includes directly attributable acquisition costs and is reduced by partial disposals.

[2] Net of amortisation.

6.1 Fair value measurement, valuation techniques and inputs

External, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued, value the Group's dairy, pastoral and orchard properties at least every 12 months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations performed on the forestry estates are made and evaluated by the company using discounted cash flows, with independent market inputs from independent valuers.

Investment properties are classified as level 3 (inputs are unobservable for the asset or liability) under the fair value hierarchy on the basis that adjustments must be made to observable data of similar properties to determine the fair value of an individual property.

6.1 Fair value measurement, valuation techniques and inputs (continued)

During the year there were no transfers of investment property between levels of the fair value hierarchy. The valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used are as follows:

In 2024, investment properties were assessed on a fair value basis as the freehold property value and the residuary interest, being the net present value of expected future periods of the excess of the contract rental terms over estimated market rents. The residuary interest includes projected income from the lessees exercising their right of renewal at above market rates for the 2nd and 3rd periods of the leases.

In 2023, the investment properties (except for forestry assets) were assessed on a fair value basis utilising the income approach for the Group's interest as lessor and a market approach to assess the reversionary value of the assets at the expiry of the current lease terms. The valuation includes the consideration made by the valuer for the applicable climate risks. The net present value of the income provided under the lease agreements have been assessed to be above prevailing market leases for similar assets. This results in the Group's interest assessment in the leases being greater than the current fair value for the asset on the basis of the Comparable Sales Approach.

Key inputs used to measure fair value of pastoral:	**2024**	**2023**
CPI forecast (2026 onwards)	2.00%	2.00%
Discount rate (pre-tax on contracted)	N/A	7.35%
Land value growth rate	N/A	2.75%
WACC post tax on excess of contract lease income over estimated market rent	7.20%	N/A
Estimated market rental as a percentage of freehold property value	4.40%	N/A
Expectation of lease by lessee at first right of renewal	75.00%	N/A
Expectation of lease by lessee at second right of renewal	50.00%	N/A

Key inputs used to measure fair value of orchard assets:	**2024**	**2023***
CPI forecast (2026 onwards)	2.00%	N/A
Post-tax discount rate on excess of contracted lease over estimated market rent	8.10%	N/A
Estimated market rental as a percentage of freehold property value	4.50%	N/A

*The Group purchased their first orchard during the year ended 31 December 2024.

		Measurement sensitivity	
Key valuation input	**Description**	**Increase in input**	**Decrease in input**
CPI	The expected inflation increase applied to the lease income. Used in the income approach.	Increase	Decrease
Discount rate	The rate applied to discount future cashflows, it reflects transactional evidence from similar types of property assets. Used in the income approach.	Decrease	Increase
Market rental assessment	The valuer's assessment of the annual net market income per hectare attributable to the property. Used in the income approach.	Decrease	Increase*

*A decrease in market rental assessment may result in an increase in the lessor interest value, assuming the fee simple value of the property remains stable.

6.1 Fair value measurement, valuation techniques and inputs (continued)

Forestry assets:

For the forestry assets, a market approach has been used to assess the reversionary value.

The valuation of the forestry assets has been assessed utilising the income approach for the Group's interest as a lessor and discounted post-lease cashflows. The value of the post lease period is based on estimated carbon production and carbon unit pricing.

Two forestry assets were acquired during the period ended 31 December 2024. The first asset was acquired as bare land with planting to be completed in 2024, and is leased to a third party until 2040. The second acquisition is an established forestry asset with areas still to be planted, leased to a third party with expiry in 2046.

The tenants of both sites have leased the land to derive income from either carbon or timber. It is assumed based on the current pricing and outlook that carbon will be the most likely income source, it is therefore assumed that the forests will not be harvested and will slowly revert to native forest.

The values adopted in these financial statements for the forestry assets are summarised as ($000):

	Lease	Post-lease	Total
2024	**$'000**	**$'000**	**$'000**
Block One	60,900	12,200	73,100
Block Two	5,000	12,200	17,200
Block Three	5,800	11,900	17,700
Block Four	6,200	5,000	11,200
	77,900	**41,300**	**119,200**

	Lease	Post-lease	Total
2023	**$'000**	**$'000**	**$'000**
Block One	57,130	13,370	70,500
Block Two	5,001	14,200	19,201
	62,131	**27,570**	**89,701**

The fair value gain recognised in relation to forestry assets was $12.2 million (2023: $18.1 million).

The post lease valuation of the forestry assets has the following key inputs used to measure fair value:

	2024
Discount rate (lease period) - Block One	8.00%
Discount rate (lease period) - Blocks Two-Four	7.20%
Discount rate (post-lease)	9.90%
NZU market price 2039*	$203
NZU market price 2040*	$207
NZU market price 2043*	$220
NZU market price 2046*	$233
Long term NZU price growth rate from 2031	2.00%

	2023
Discount rate	9.60%
NZU market price January 2039*	$234
NZU market price April 2043*	$255
NZU's per-hectare at lease end	51,500
Long term NZU price growth rate from 2031	2.10%

*Represents NZU market price at different end dates of leases. NZU pricing has been forecast and the mid-point is adopted for these purposes.

The current value is also driven by the volumes of estimated carbon sequestration over the life of the forest which has been modelled by external experts based on comparable properties and the I300 method which is used to express the productivity of a site in terms of volume growth for Pinus radiata. It is the mean annual volume increment in cubic metres per hectare of a 300 stem per hectare Radiata pine stand at age 30 years. As a measure of productivity used in modelling and forecasting tree growth and stand yield, it is relevant even where crops are not intended to be thinned to a stocking as low as 300 stems per hectare or grown to age 30.

6.2 Valuation methodology of forestry assets

Key valuation input	Description	Measurement sensitivity Increase in input	 Decrease in input
CPI	The expected inflation increase applied to the lease income. Used in the income approach.	Increase	Decrease
Discount rate	The rate applied to discount future cashflows, it reflects transactional evidence from similar types of property assets. Used in the income approach.	Decrease	Increase
Forecast NZU prices	Value adopted by management based on advice from KPMG.	Increase	Decrease

The key two subjective inputs into the post-lease valuation are:

1. Discount rate of 9.90%.
2. The prices of NZU's at lease termination

The discount rate of 9.90% has been determined by utilising the Capital Asset Pricing Model (CAPM) to determine WACC for this type of asset by external experts (KPMG).

The Group engaged an independent third party expert (KPMG) to provide guidance on the expected future price path of NZU's over the next 40 years. They provided three scenarios and estimated values as follows:

2024	Low	Mid	High
Estimates for 2039	$98	$203	$308
Estimates for 2040	$100	$207	$314
Estimates for 2043	$106	$220	$333
Estimates for 2046	$113	$233	$354

2023	Low	Mid	High
Estimates for 2039	$134	$234	$335
Estimates for 2043	$146	$255	$364

Management adopted the Mid scenario in the valuations as a mid-point between two price paths deemed to be optimistic and pessimistic.

During 2024, NZU experienced volatility in their prices, and the range of potential future outcomes is significant.

The valuation of the forestry assets is sensitive to changes in the estimated future prices. The valuation of $119.2 million at 31 December 2024 would be impacted as follows if different price path assumptions had been applied:

	Revised Valuation $'000	Impact $'000
Low price path	79,973	(39,200)
High price path	154,436	35,200

7 Assets held for sale

	2024	2023
	$'000	$'000
Rural land properties held for sale	11,355	-
	11,355	**-**

The Group has entered into a conditional agreement with a tenant which involves the following:

- Acquisition of land from the tenant for approximately $15.5 million. As consideration, the Group will transfer property held for sale and cash to the tenant. The Group will then lease the acquired land to the tenant.
- The Group working with another unrelated tenant has agreed to transfer several leases to the tenant. The leases have a combined annual payment of $3.4 million (2024 financial year). The transfer will be mechanised through the legal surrender of the old lease agreements with the Group then entering into a new lease agreement with the tenant under substantially the same terms.
- A call option will be granted by the Group to the tenant such that it can purchase the land of the transferred leases for approximately their current value (as of 31 December 2024). The option can be exercised on or before May 2027. This call option relates to properties that have an accumulated value of $60 million (investment properties). Management do not believe that it is highly probable that the call option will be exercised within the next 12 months and therefore have not treated the properties as held for sale.
- The Group has committed to capital projects of $2 million on land leased to the tenant. The completion of these projects will result in a corresponding uplift in the lease payments.

8 Rental income

Rental income from investment properties leased to clients under operating leases is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease, taking into account rent free periods. Where lease incentives are provided to customers, the cost of incentives are recognised over the lease term on a straight-line basis as a reduction to rental income.

	2024	2023
	$'000	$'000
Gross lease receipts	20,285	15,938
Straight line rental adjustments	(22)	(120)
Revenue received in advance adjustments	(218)	(292)
Amortisation of capitalised lease incentives	(176)	(176)
Rental income	**19,869**	**15,350**

8.1 Lessor contractual operating lease income

The Group has entered into investment property leases (as lessor) which have remaining non-cancellable lease terms of between 10 and 20 years.

	2024	2023
Future minimum rental receivables under non-cancellable operating leases are as follows:	$'000	$'000
Within 1 year	34,044	16,954
After 1 year but not more than 5 years	136,177	67,817
More than 5 years	112,322	116,633
Total property operating lease income	**282,543**	**201,404**

The commitments above are calculated based on the contract rates using the term certain expiry dates of lease contracts. Actual rental amounts in future may differ due to CPI adjustments within the lease agreements.

9 Finance income and expense

Finance income includes interest income derived from financial assets and any gain on fair value of derivative instruments. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance expense includes interest expense incurred on borrowings and any loss on fair value of derivative instruments. Interest expense is recognised using the effective interest method.

9 Finance income and expense (continued)

	2024 $'000	2023 $'000
Finance income		
Interest income	2,550	1,879
Finance expense		
Interest expense	(8,810)	(8,876)
Loss on fair value of derivative instruments	(1,998)	(2,512)
Net finance expense	**(8,258)**	**(9,509)**

10 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

10.1 Income tax recognised in statement of comprehensive income

	2024 $'000	2023 $'000
Current tax expense	-	-
Deferred tax expense / (benefit)	979	(483)
Income tax expense / (benefit)	**979**	**(483)**
Reconciliation of income tax expense to prima facie tax payable:		
Profit before tax	24,058	10,371
Income tax expense calculated at 28% (2023: 28%)	6,736	2,904
Effect of expenses that are not deductible in determining taxable profit	96	8
Effect of income that is not assessable in determining taxable profit	(4,518)	(2,069)
Tax depreciation	(1,007)	(1,333)
Portion of taxable profits attributable to the Land Trust	(328)	-
Prior period adjustment	-	7
Income tax expense / (benefit)	**979**	**(483)**

It is assumed that the tax book value of tax depreciable assets reflects their market values. This assumes there would be no depreciation recovered if disposed of for market value.

10.2 Deferred tax assets

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

10.2 Deferred tax assets (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2024	Opening balance $'000	Recognised in equity $'000	Recognised in profit or loss $'000	Closing balance $'000
Lease fees / Lease incentives	(544)	133	20	(391)
Tax losses	1,941	-	(989)	952
Carbon credits	-	-	(5)	(5)
Disposal of assets	-	-	(4)	(4)
Other	1	-	(1)	-
Total deferred tax asset / (liability)	**1,398**	**133**	**(979)**	**552**

2023	Opening balance $'000	Recognised in profit or loss $'000	Closing balance $'000
Lease fees / Lease incentives	(618)	74	(544)
Tax losses	1,531	410	1,941
Other	2	(1)	1
Total deferred tax asset / (liability)	**915**	**483**	**1,398**

Key Judgement
The Group has chosen not to rebut the presumption in NZ IAS 12 *Income taxes* that the carrying value of investment properties will be recovered through sale.

The Group considers that any future gain on sale of investment properties will not be assessable for income tax purposes as the sale of a capital asset.

11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2024 $'000	2023 $'000
Cash at bank	5,520	1,258
Total cash and cash equivalents	**5,520**	**1,258**

12 Trade and other receivables

Trade receivables are non-derivative financial assets and measured at amortised cost less impairment.

	2024 $'000	2023 $'000
Trade receivables	1,127	41
Prepayments	642	332
Other receivables	-	5
Total trade and other receivables	**1,769**	**378**

Expected credit losses for the year ended 31 December 2024 are nil (2023: Nil).

13 Loan receivable

	2024	2023
	$'000	$'000
Non-current:		
McNaughtons home block	7,632	6,943
Makikihi Farm	14,053	13,420
Total loan receivable	**21,685**	**20,363**

On 1 June 2021, the Group acquired land at 30 Cooneys Road, Morven (McNaughtons home block) for $5.4 million and simultaneously entered into a lease and a put and call agreement with Performance Dairy Limited (PDL), a related entity to the vendor. Under the call agreement, PDL can acquire the land on 31 May in any year (providing a minimum 90 days notice has been provided) from the Group for $5.4 million plus 10% interest compounding annually. Under the put agreement, from 1 June 2023 the Group can require PDL to acquire the land on 31 May any year under the same pricing mechanism and notice requirements. The put and call option has a 99 year life.

On 2 August 2021, the Group acquired land at a North Canterbury Dairy Farm (Makikihi Farm) for $12 million and simultaneously entered into a lease and a put and call agreement with Makikihi Robotic Dairy Limited (MRDL), a related entity to the vendor. Under the call agreement, MRDL can acquire the land on 31 May in any year (providing a minimum 90 days notice has been provided) from the Group for 12 million plus 4.66% interest compounding annually. Under the put agreement, from 1 August 2023 the Group can require MRDL to acquire the land on 31 May any year under the same pricing mechanism and notice requirements. The put and call option has a 99 year life.

Key Judgement
The Group has determined that these arrangements have the substance of loans with 10% market interest rates per annum (2023: 10%).

The loans are secured by a General Security Deed and cross guarantee from certain Van Leeuwen Group entities.

The loan receivable balances have been considered and determined no impairment is required at reporting date.

14 Derivatives

Derivative financial instruments are comprised of interest rate swaps and net settled milk price forwards. They are initially classified and subsequently measured as fair value through profit or loss ("FVTPL"). Interest is imputed in the interest rate swap and reflected in finance income and expense.

The value of interest rate swaps is derived from the mark-to-market valuation provided by a third party. The value of net settled milk price forwards has been determined by management using the market prices of the value of the underlying futures contract.

Classification of interest rate swaps as current or non-current on the face of the consolidated statement of financial position is based on the final contractual settlement date.

	2024	2023
	$'000	$'000
Derivative assets		
Current:		
Net settled milk price forwards	151	-
Non-current:		
Interest rate swaps	352	71
Total derivative assets	503	71
Derivative liabilities		
Current:		
Net settled milk price forwards	108	-
Interest rate swaps	21	-
Non-current:		
Interest rate swaps	2,342	-
Total derivative liabilities	2,471	-

15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days from recognition. Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

	2024 $'000	2023 $'000
Trade payables and accruals	961	569
Revenue in advance	511	292
GST payable	287	229
Retention payable[1]	1,265	-
Related party payables	133	-
Total trade and other payables	**3,157**	**1,090**

[1] Retention payable relates to the orchard land acquired in February 2024 and is contingent on the vendor completing specific post settlement requirements within 12 months. The entity believes that these requirements will be met.

16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

During the period, the Group replaced existing facilities with a syndicated loan facility agreement with Coöperatieve RaboBank U.A. New Zealand Branch ("Rabobank") and Bank of China (New Zealand) Limited ("Bank of China"). The facility agreement has a limit of $140,000,000 with floating interest rates ranging over the four tranches with different maturities with interest payable monthly.

There is a general security deed over all of the assets of the Group as security of the borrowings.

The terms of the borrowings includes the following covenants that the Group must ensure at all times:

- Interest coverage ratio is greater than 1.6;
- Loan to valuation ratio does not exceed 40%; and
- Capital expenditure in each financial year shall not exceed 120% of the budgeted forecast capital expenditure.

The Group has complied with the financial covenants of its borrowing facilities during the year ended 31 December 2024.

The Group's interest cover ratio covenant is 1.6 for the period from 30 June 2023 to 31 December 2024, 1.75 from 1 January 2025 to 31 March 2025 and 2.00 from 31 March 2025 onwards.

	2024 $'000	2023 $'000
Current borrowings:		
Rabobank facility	31,761	29,500
Bank of China facility	15,340	-
Non-current borrowings:		
Rabobank facility	57,272	104,000
Bank of China facility	26,834	-
Total borrowings	**131,207**	**133,500**

2024	**Expiry date**	**Total $'000**	**Undrawn facility $'000**	**Drawn amount $'000**
Bank facility A*	1 Jun 2025	46,000	-	46,000
Bank facility B	20 Dec 2027	36,000	8,793	27,207
Bank facility C	1 Jun 2026	29,500	-	29,500
Bank facility D	14 Apr 2026	28,500	-	28,500
		140,000	**8,793**	**131,207**

*As part of the Group's debt management, bank facility A is forecasted to be rolled in the months prior to its expiry.

16 Borrowings (continued)

2023	Expiry date	Total $'000	Undrawn facility $'000	Drawn amount $'000
Bank facility A	1 Jun 2025	46,000	-	46,000
Bank facility B	1 Jun 2024	29,500	-	29,500
Bank facility C	1 Jun 2026	29,500	-	29,500
Bank facility D	14 Apr 2026	28,500	-	28,500
		133,500	**-**	**133,500**

The effective interest rate on borrowings ranges from 5.82% to 6.55% (2023: 7.46% to 7.76%).

17 Convertible loan

On 14 April 2023, the Group entered into a convertible loan agreement with New Zealand Forest Leasing Limited. The convertible loan was for the face value of $12.360 million and was expected to be repaid within eighteen months from the date of the note being issued. The agreement required the Group to make quarterly interest payments based on the current outstanding principal amount, at 8% per annum.

In February 2024, the Company repaid the convertible loan using funds received from Land Trust (note 5). The convertible note was repaid in cash and did not convert to shares.

18 Reconciliation of redeemable Limited Partnership units

	2024 $'000
Balance as at 1 Jan 2024	-
Initial recognition of financial liability at fair value*	58,442
Contributions received from Land Trust	10,905
Distribution to Land Trust	(1,275)
Revaluation movement	7,724
Balance as at 31 Dec 2024	**75,797**

* This represents Land Trust's share of the Limited Partnership's net assets at date of initial investment.

In February 2030, the Land Trust has the option to offer to sell its units in the LP to the Company. If there has been a significant financial deterioration in the LP then that option can be exercised 2 years earlier. If the Company does not acquire the units, then Land Trust can sell those units to a third party. After a subsequent 6-month period if no third party has purchased the units for at least 98% of the value (determined based on independent asset valuations less associated debt) then Land Trust can require the LP to redeem the units. The Company and Land Trust will then agree which LP assets are to be sold to fund the redemption. No assets can be sold resulting in proceeds for less than 90% of their net asset value (determined using the most recent independent valuation reports).

The potential sale obligation for the LP to redeem Land Trust's units means the Group has classified Land Trust's interest in the LP as a financial liability as redeemable limited partnership units in the statement of financial position and not by recording a minority interest. The Group has initially and subsequently measured that liability based on the reporting date fair value, i.e. as if the redemption occurred at the reporting date. Movements in the liability are reported in other income in the statement of comprehensive income as movement in redeemable LP units.

The difference between the liability recorded at fair value on initial recognition and the consideration received from the Land Trust for its investment in the LP has been recognised in equity within retained earnings as an adjustment on recognition of redeemable LP units.

The GP shareholder agreement requires profits (based on Adjusted Funds from Operations (AFFO)) to be distributed to the LP unit holders. Accordingly, Land Trust's share of the profits has been allocated to the redeemable units liability which is subsequently reduced as and when distributions are made.

During the period, a total distribution of $1.275 million was declared and paid from the LP to the Land Trust.

The financial results of the LP for the year ended 31 December 2024 and position at 31 December 2024 have been consolidated into the Group. The redeemable LP units also includes $0.887 million received in advance for future purchases.

19 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

	Note	$'000	No. of ordinary shares
Authorised and issued			
Balance at 1 January 2023		134,180	115,601,570
Rights issue to existing shareholders		23,285	23,375,984
Other share issues		595	628,929
Share buy-back		(530)	(611,327)
Performance fee issued in ordinary shares		495	299,844
Transaction costs arising on issue of shares		(606)	-
Balance at 31 December 2023		**157,419**	**139,295,000**
Issue of shares for apple orchard acquisition		2,038	2,215,190
Share buy-back		(77)	(88,084)
Dividend reinvestment		851	967,556
Performance fee issued in ordinary shares		901	564,139
Transaction costs arising on issue of shares		(23)	-
Other		(41)	-
Balance at 31 December 2024		**161,068**	**142,953,801**

The December 2023 performance fee was settled with 0.6 million shares being issued in March 2024 at an equivalent of $1.598 per share (internal NAV measurement).

All shares have equal voting rights, participate equally in any dividend distribution or any surplus on the winding up of the Company. The shares have no par value.

20 Dividends

During the period, dividends totalling $2.041 million were declared (2023: $2.346 million). An ordinary dividend of $0.0146 per share with no supplementary dividend, issued by the Parent in October 2024. No imputation credits were attached to the dividend.

The dividend issued by the Parent included a dividend reinvestment plan option to under which holders of ordinary shares could elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares were issued under the plan at a strike price of $0.88, with no discount to the market price at the time of the dividend. Under this reinvestment plan, 967,556 shares were issued for a total value of $851,445. This reduced the overall cash paid for dividends to $1.190 million.

21 Share based payment reserve

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments
Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

	2024 $'000	2023 $'000
Arising on share-based payments (performance fee)	660	901
Balance at end of the period	**660**	**901**

The share based payment reserve relates to the Manager's performance fee that is settled through the issue of shares. More details on performance fees are provided in note 23.1.

22 Remuneration of auditors

The following fees were paid or payable for services provided by William Buck Audit (NZ) Limited as the auditor of the Group:

	2024	2023
Assurance and other services	**$'000**	**$'000**
Statutory audit services	115	64
	115	**64**

In the prior year, the following fees were paid for services provided by PricewaterhouseCoopers New Zealand as the former auditor of the Group:

	2024	2023
Assurance and other services	**$'000**	**$'000**
Statutory audit services	-	23
	-	**23**

23 Related parties

23.1 Remuneration of the Manager

The Group has appointed an external manager, New Zealand Rural Land Management Limited Partnership through a signed management agreement. The Manager is responsible for all management functions of the Group, including:

- Providing administrative and general services;
- Sourcing and securing potential investors and communicating with investors;
- Sourcing opportunities for the sale and purchase of land, and operators for lease agreements in respect of land;
- Overseeing due diligence for and executing transactions for the sale and purchase, and leasing, of land;
- Managing the Group’s property, including land owned by the Group;
- Arranging regular valuations and audits of the Group; and
- Administering the payment of dividends and distributions in respect of the Group.

The Manager is remunerated via management fees, transaction fees and performance fees.

Fees paid and owing to the Manager:

	2024		2023	
	Fees charged	Owing at 31 Dec	Fees charged	Owing at 31 Dec
	$'000	$'000	$'000	$'000
Basic management services fee	1,407	116	1,039	89
Transaction fees	1,242	-	878	-
Leasing fees	150	-	60	-
Performance fee	660	660	901	901
Other	7	-	-	-
Total	**3,466**	**776**	**2,878**	**990**

Management fee
A monthly management fee is payable equal to 0.5% per annum of the Group's Net Asset Value, calculated on a monthly basis. The total management fees for the period ended 31 December 2024 were $1.407 million (2023: $1.039 million).

As at 31 December 2024, $133,245 (GST inclusive) is owed to the Manager and this is included in trade and other payables (refer to note 15).

Transaction fee
A fee is payable for the following transactions:

- For each purchase or sale of land, a fee equal to 1.25% of the acquisition or divestment cost of the land and improvements;
- For each lease agreement entered into, a fee of $30,000; and
- A fee of $869,000 was paid in respect of the divestment of assets into the Limited Partnership (refer to note 5).

The purchase fee is included in the initial carrying amount of the acquired investment property. The leasing fee has been added to the carrying value of the leased asset (being investment properties) as part of the initial direct costs of arranging the lease.

23.1 Remuneration of the Manager (continued)

Performance fee

A performance fee is payable to the Manager when the Group's net asset value ('NAV') per share exceeds the Group's NAV per share in the immediately preceding financial year. This annual performance fee is calculated as 10% of the increase in NAV per share and is settled through the issue of ordinary shares based on the NAV per share at that date. NAV per share is adjusted for the impact of capital reconstructions (such as a rights issue at a premium or discount), with the intention of the calculation being neither prejudicial nor advantageous to the Company or the Manager. Half of the ordinary shares issued are held in escrow and cannot be sold for 5 years. The value of the performance fee in the year ended 31 December 2024 was $0.660 million (2023: $0.901 million). The shares will be issued to the Manager subsequent to balance date.

23.2 Key management personnel compensation

In addition to remuneration of the Manager outlined above, the Group paid directors fees during the period of $0.227 million (2023: $0.227 million) in cash. There was no other compensation of key management personnel during the period.

24 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the subsidiaries in accordance with the accounting policy described in note 2.4.

The following subsidiaries have been consolidated in the financial statements of the Group:

Name of entity	Country incorporated	Activities	2024 Equity holding	2023 Equity holding
NZRLC Dairy Holdings Limited	New Zealand	Rural land investment	100%	100%
SSP NI Limited	New Zealand	Rural land investment	100%	100%
New Zealand Rural Land Investments GP Limited	New Zealand	General partner	75%	100%
New Zealand Rural Land Investments Limited Partnership	New Zealand	Rural land investment	75%	100%

25 Non-GAAP measures

Non-GAAP measures do not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. These measures should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS.

25.1 Reconciliation of net profit after tax to adjusted funds from operations (AFFO)

Funds from operations ('FFO') is a non-GAAP financial measure that shows the Group's underlying and recurring earnings from its operations and is considered industry best practice for a property fund to enable investors to see the cash generating ability of the business. This is determined by adjusting statutory net profit (under NZ IFRS) for certain non-cash and other items. FFO has been determined based on guidelines established by the Property Council of Australia and is intended as a supplementary measure of operating performance. The Manager uses and considers Adjusted Funds From Operations ('AFFO') as a measure of operating cash flow generated from the business, after providing for all operating capital requirements including maintenance capital expenditure, tenant improvement works, incentives and leasing costs.

25.1 Reconciliation of net profit after tax to adjusted funds from operations (AFFO) (continued)

	Notes	2024 $'000	2023 $'000
Net profit after tax		23,079	10,854
Adjustments			
Unrealised net gain in value of investment properties	6	(23,859)	(7,388)
Unrealised movement in redeemable Limited Partnership units	18	7,724	-
Performance fee payable in shares	21	660	901
Unrealised net loss on derivatives	9	1,998	2,512
Deferred tax expense / (benefit)	10.2	979	(483)
Amortisation of rent free incentives	8	176	176
Amortisation of lease fee and amendment		34	30
Disposal of surplus assets		(21)	-
Loan interest rolled into new syndication facility		234	-
Initial recognition and unrealised net gain of carbon credits		(26)	-
Capitalised interest loan receivable		(1,316)	-
Funds from operations ('FFO')		**9,662**	**6,602**
FFO attributable to the Land Trust (cents)[2]		2,367	-
FFO attributable to the Company (cents)		7,295	6,602
Company FFO per share (cents)		**5.10**	**4.74**
Adjustments			
Incentives and leasing costs		23	120
Future maintenance capital expenditure[1]		(336)	(663)
Adjusted funds from operations ('AFFO')		**9,348**	**6,059**
AFFO attributable to the Land Trust (cents)[2]		2,286	-
AFFO attributable to the Company (cents)		7,062	6,059
Company AFFO per share (cents)		**4.94**	**4.35**

[1] Represents amounts set aside each financial period for future expected maintenance capital expenditure as considered prudent by the Manager. These amounts do not qualify for recognition as liabilities on the balance sheet under NZ GAAP.

[2] In the prior year, FFO and AFFO were entirely attributed to the Company as the Land Trust did not become part of the Group until February 2024 (refer to note 5).

25.2 Net assets per share and net tangible assets per share

The Group presents net assets per share and net tangible assets per share in these financial statements. The Group believes that these non-GAAP measures provide useful additional information to readers. Net tangible assets per share is a required disclosure under the NZX Listing Rules and net assets per share is a measure monitored by management and required for calculating the Manager's performance fee. The calculation of the Group's net assets per share, net tangible assets per share, and its reconciliation to the consolidated statement of financial position is presented below:

	Notes	2024 $'000	2023 $'000
Total assets		441,933	369,831
(Less): Total liabilities		(212,801)	(146,739)
Net assets		**229,132**	**223,092**
(Less): Deferred tax assets	10.2	(552)	(1,398)
Add: Derivative liabilities	10.2	2,471	-
(Less): Derivative assets	14	(503)	(71)
Net tangible assets		**230,548**	**221,623**
Number of shares issued ('000)		**142,954**	**139,295**
Net assets per share ($)		**1.6028**	**1.6016**
Net tangible assets per share ($)		**1.6127**	**1.5910**

26 Financial instruments

Categories of financial instruments:

2024	Financial assets/ liabilities at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	-	5,520	-	5,520
Trade and other receivables	-	1,127	-	1,127
Loan receivable	-	21,685	-	21,685
Derivative assets	503	-	-	503
	503	**28,332**	**-**	**28,835**
Liabilities				
Trade and other payables	-	-	2,359	2,359
Borrowings	-	-	131,207	131,207
Redeemable Limited Partnership units	75,797	-	-	75,797
Derivative liabilities	2,471	-	-	2,471
	78,268	**-**	**133,566**	**211,834**

2023				
Assets	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	-	1,258	-	1,942
Trade and other receivables	-	46	-	41
Loan receivable	-	20,363	-	19,144
Derivative assets	71	-	-	2,506
	71	**21,667**	**-**	**23,633**
Liabilities				
Trade and other payables	-	-	569	569
Convertible loan	-	-	11,980	11,980
Borrowings	-	-	133,500	133,500
	-	**-**	**146,049**	**146,049**

27 Financial risk management

27.1 Interest rate risk

Interest rate risk is the risk that fluctuations in interest rates impact the Group's financial performance, future cash flows or the fair value of its financial instruments.

The Group's policy is to manage its interest rates using a mix of fixed and variable rate debt. To manage this mix, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rates for interest calculated by reference to an agreed-upon notional principal amount. These swaps are designed to economically hedge underlying debt obligations.

The Group's exposure to variable interest rate risk and the weighted average interest rate for interest bearing financial assets and liabilities as at 31 December 2024 was as follows:

	2024	2023
	$'000	**$'000**
Financial assets		
Cash at bank	5,520	1,258
Financial liabilities		
Bank borrowings (net of economic impact of interest rate swaps)	45,707	48,000
Interest rate applicable at balance date		
Cash at bank	<1%	<1%
Bank borrowings (net of economic impact of interest rate swaps)	6.23%	7.60%

27.1 Interest rate risk (continued)

The following sensitivity analysis represents the change in interest expense if the floating interest rates on bank borrowings (net of economic impact from interest rate swaps) had been 2% higher or lower, with other variables remaining constant:

	2024		2023	
	Interest rate decrease of 2% $'000	Interest rate increase of 2% $'000	Interest rate decrease of 2% $'000	Interest rate increase of 2% $'000
Increase / (decrease) in interest expense	(914)	914	(960)	960

There is no interest rate risk on the loan receivable (note 13) as they accrue interest at a fixed rate.

27.2 Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. Financial instruments which are subject to credit risk principally consist of cash, debtors and loans receivable. The Group's exposure to credit risk is equal to the carrying value of the financial instruments.

The Group conducts credit assessments of tenants to determine credit worthiness prior to entering into lease agreements. This includes requiring tenants to have equity at least six times their annual lease obligations or provide other suitable security arrangements. Where appropriate, the Group will include guarantees and/or security from tenants within lease agreements to support rental payments. In addition, debtor balances are monitored on an ongoing basis with the result that exposure to bad debts is not significant.

The risk from financial institutions is managed by placing cash and cash equivalents with high credit quality financial institutions only. The Group has placed its cash and cash equivalents with Westpac New Zealand Limited, who is AA- rated (Standard & Poor's).

The Group intends to further mitigate this risk in the future by expanding into other primary sectors in New Zealand, such as horticulture, viticulture, sheep and beef.

27.3 Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly arises from the Group's obligations in respect of long term borrowings, derivatives and trade and other payables.

The Group monitors and evaluates liquidity requirements on an ongoing basis and generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has bank facilities available to cover potential shortfalls. The Group's approach to managing liquidity risk is to ensure it will always have sufficient liquidity to meet its obligations when they fall due under both normal and stress conditions.

The following table outlines the Groups' liquidity profile, as at 31 December 2024, based on contractual non-discounted cash flows:

2024	Total $'000	0-1 year $'000	1-2 years $'000	2-5 years $'000	>5 years $'000
Trade and other payables	3,157	3,157	-	-	-
Derivative liabilities [2]	1,350	(327)	784	893	-
Borrowings [1]	142,114	53,432	59,823	28,859	-
Redeemable limited partnership units	75,797	-	-	-	75,797
Total	**222,417**	**56,262**	**60,607**	**29,752**	**75,797**

2023	Total $'000	0-1 year $'000	1-2 years $'000	2-5 years $'000	>5 years $'000
Trade and other payables	1,090	1,090	-	-	-
Convertible loan	11,980	11,980	-	-	-
Borrowings [1]	149,927	38,402	51,945	59,580	-
Total	**162,997**	**51,472**	**51,945**	**59,580**	**-**

[1] Includes contractual interest payments based on drawn down amounts at reporting date and assuming no repayments of principal prior to expiry date.

[2] Valuation of interest rate swaps is based on the futures market and therefore the current market's expectation of those cash flows.

27.3 Capital risk management

When managing capital risk, the Manager's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other creditors.

The Group meets its objectives for managing capital through its investment decisions on the acquisition and disposal of assets, dividend policy, and issuance of new shares. This includes restricting debt to 40% of total assets and debt will generally be sought on interest-only repayment terms, subject to maintaining the 40% debt limit. The Group will also seek debt with mortgage security over the rural land acquired to secure the borrowings.

28 Earnings per share

Basic and diluted earnings per share amounts are calculated by dividing profit after income tax attributable to shareholders by the weighted average number of shares on issue.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Company has no dilutive factors.

	2024	2023
Profit after income tax ($'000)	23,079	10,854
Weighted average number of shares for the purpose of basic and diluted EPS ('000)	140,170	134,646
Basic and diluted earnings per share (cents)	**16.47**	**8.06**

29 Reconciliation of profit after income tax to net cash flows from operating activities

	2024 $'000	2023 $'000
Profit and total comprehensive income for the period	23,079	10,854
Add/(less) non-cash items:		
Change in fair value of derivatives	2,039	2,435
Change in fair value of investment properties	(23,859)	(7,388)
Movement in redeemable Limited Partnership units	7,724	-
Performance fee payable in shares	660	901
Interest income accrual	(1,316)	(1,226)
Deferred tax	846	(483)
Derecognition of deferred tax	132	-
Lease incentives - rent free period	198	297
Interest expense accrual	(144)	47
Lease fee amortisation	34	37
Other	(46)	-
Convertible loan amortisation	-	180
Movements in working capital items:		
(Increase) in other current assets	(1,224)	(31)
Decrease in income tax receivable	7	6
Increase in trade and other payables	669	68
Increase in income in advance	219	292
Net cash generated by operating activities	**9,018**	**5,989**

30 Contingent liabilities and contingent assets

There are no contingent liabilities or assets as at 31 December 2024 (2023: nil).

31 Investment property purchase commitments

The Group has committed to purchasing $9.925 million of investment properties as at 31 December 2024 (2023: nil).

32 Subsequent events

Forestry land sale
On 28 January 2025, a 10% deposit of $52,500 was received in relation to the sale of forestry land in Taihape. The balance settled on 12 February 2025.

Umbrella Agreement
The settlement of the agreement between the tenant and associated parties (refer to note 7) occurred on 7 March 2025.

WilliamBuck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the shareholders of New Zealand Rural Land Company Limited

Report on the audit of the consolidated financial statements

Qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying consolidated financial statements of New Zealand Rural Land Company Limited (the Company) and its subsidiaries (the Group), present fairly, in all material respects:

— the consolidated financial position of the Group as at 31 December 2024, and

— its consolidated financial performance and its cash flows for the year then ended

in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What was audited?

We have audited the consolidated financial statements of the Group, which comprise:

— the consolidated statement of financial position as at 31 December 2024,

— the consolidated statement of comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended, and

— notes to the consolidated financial statements, including material accounting policy information.

Basis for qualified opinion

As disclosed in Note 6.1 to the consolidated financial statements the group has recorded forestry assets within total Investment Properties measured at Fair Value at 31 December 2024 of $119.2 million (2023: $89.7million). The Group recorded a revaluation gain of $12.2 million on those assets in the Consolidated statement of comprehensive income in the year ended 31 December 2024 (2023: $18.1 million). A key subjective assumption included in the valuation of these forestry assets is the estimated long term future prices of New Zealand Emission Units (NZU's).

We have been unable to obtain sufficient appropriate audit evidence to provide assurance over the estimated future NZU prices which form a significant part of the valuation of the forestry assets. As the future prices of the NZU's is a material component of the valuations, we are therefore unable to express an opinion as to whether the carrying value of the Investment property and related revaluation gains recognised by the Group in the year ended 31 December 2024 are materially correct and whether any adjustments to these amounts were necessary. Our audit opinion for the year ended 31 December 2023, dated 27 March 2024, was also qualified on this same matter.

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The valuation of the Investment Properties is the key input into the carrying value of the Redeemable Limited Partnership Units of $75.8 million as at 31 December 2024 as disclosed in Notes 5 and 18 to the consolidated financial statements. As a result we were unable to determine whether any adjustments might have been necessary in respect of the Redeemable Limited Partnership Units balance.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Limited Partnership	**Area of focus (refer also to notes 5 & 17)**	**How our audit addressed the key audit matter**
	- In January 2024 the Company entered into an agreement to sell a 25% stake in its rural land portfolio to a group of investors through the establishment of a Limited Partnership - The Company has consolidated the results of the Limited Partnership for the year ended 31 December 2024 as it concluded it had sufficient control over the relevant activities of the Partnership. - The Limited Partnership agreement includes the right of redemption of the other partner of their Partnership units which would need to be funded by the sale of assets. - As a result of this redemption feature the Group has classified the 25% interest in the Partnership as a financial liability measured at fair value through profit or loss. - Because of the significance of this transaction to the Group and the complex accounting considerations involved this is why we considered this to be a Key Audit Matter.	Our audit procedures included: — Analysed key documentation related to the agreement to sell the 25% stake — Tested for compliance in the accounting treatment of the Limited Partnership Agreement with the requirements of NZ IFRS 10 Consolidated financial statements — Undertaking detailed testing of the accounting transaction used to record the transaction as prepared by management and their advisors — Assessed that appropriate disclosure has been included in the financial statements

Other information

The Directors are responsible for the other information included in the Group's annual report for the year ended 31 December 2024, being (1) 2024 Review and (2) Statutory Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report. The engagement partner on the audit resulting in this independent auditor's report is Darren Wright.

Restriction on distribution and use

This independent auditor's report is made solely to the shareholders, as a body. Our audit work has been undertaken so that we might state to the shareholders those matters which we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our audit work, this independent auditor's report, or for the opinions we have formed.

William Buck

William Buck Audit (NZ) Limited
Auckland

27 March 2025

SECTION

4 Company Directory

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