

NEW ZEALAND RURAL LAND CO.

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NZX Release

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NZRLC to acquire North Canterbury Dairy Farm

New Zealand Rural Land Company (NZX:NZL) will on 2 August 2021 acquire a 500ha dairy farm located in South Canterbury for \$12 million (**Makikihi Farm**). The purchase price will be funded from cash on hand and a drawing under NZL's revolving credit facility with Rabobank.

As detailed in the notice of meeting dated 10 May 2021, NZRLC entered an agreement to acquire Makikihi Farm. The agreement was conditional on the vendor (Crop & Grass Farm Limited) not refinancing its debt over Makikihi Farm. The vendor has now advised NZL that it has not completed a refinancing at this time and the agreement is now unconditional.

From settlement of the acquisition, Makikihi Farm will be leased to Performance Dairy Limited, an existing tenant of NZL that is currently running the farming operations at Makikihi Farm. The gross lease rate is approximately 5.34% per annum and the lease is for an 11 year term with two 12 year rights of renewal.

NZL has also entered a put and call options deed where interests associated with the vendor may call for the repurchase of Makikihi Farm from NZL at any time. In addition, in approximately 2 years' time, NZL will have the option to put the Makikihi Farm to the vendor and require it to purchase it back. In either case the purchase price will be \$12 million plus 4.66% per annum calculated as accruing on a daily basis from 2 August 2021.

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