



The Rural Land **Investors**

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Forestry Estate Acquisition

New Zealand Rural Land Company (**NZL.NZX**) has today entered into an agreement to acquire up to 100% of a forestry estate located the Manawatū-Whanganui region in the North Island. The estate is comprised of five individual properties with a total area of approximately 2,400 hectares.

The settlement date for the acquisition is 15 April 2023 with the entire estate to be leased to New Zealand Forest Leasing (NZFL) for a period of 20 years.

NZL's cost to acquire 100% of the asset is approximately \$63m (subject to final costs) with a first year payment of \$4.98m under the terms of the lease. The lease has annual CPI-linked rental adjustments.

The purchase will be funded using a combination of debt and equity - the equity component of which NZL may fund using a variety of sources including reallocation of capital within the group and borrowing capacity. There is an option for NZL's tenant partner NZFL to purchase up to approximately 48% of the asset if required.

Chair of NZL, Rob Campbell said: "The acquisition represents a continuation of NZL's strategy of broadening its portfolio of high-quality rural land assets and tenants. On completion of the acquisition, NZL will have further diversified its tenant base, entered the North Island and a new rural asset class in forestry land. NZL's assets, including this acquisition, are all underpinned by triple net leases with CPI-linked rental adjustments, ensuring the Company remains well positioned in an inflationary environment."

Further information on the acquisition will be provided closer to the time of settlement.

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