



The Rural Land **Investors**

8 December 2022

New Zealand Rural Land Company (NZL.NZX) - Chair Address to ASM

NZL reported a record net profit after tax of \$39.7 million for the period ending 30 June 2022. Net Asset Value (NAV) per share increased by +18.6% to \$1.656 per share.

NZL paid a final net dividend of 1.60cps bringing the total net dividend to 3.61cps for the year ending 30 June 2022. The dividend was paid on 9 September 2022 (record date 2 September 2022).

Our acquisitions in FY22 showed an increase of +26.2% (+\$23.5 million) on purchase price. NZL's original portfolio (those assets acquired in FY21) increased by +10.3% (+\$14.1 million), following on from a +10.8% (+\$13.4 million) increase in FY21.

These figures highlight the excellent job our Manager - New Zealand Rural Land Management - has done for NZL since our NZX listing on 21 December 2020.

When we launched the IPO of NZL in Q4 2020 many investors approached said we could not do what we were proposing – purchase quality rural land assets and tenant them at the yields indicated.

Accepting skepticism is always part of any new venture, I am pleased to report to you that as at 30 June 2022 NZL had acquired \$264.9 million of high quality rural land in New Zealand amounting to 11,710 hectares with seven tenants having achieved better than forecast yields and expected returns on capital deployed.

Post balance date, on 21 October 2022, NZL announced it had entered into an agreement to acquire up to 100% of a forestry estate located in the Manawatu-Wanganui region in the North Island. The cost to acquire 100% of the asset is approximately \$63mIn (subject to final costs) with a first year lease payment set at \$4.98mIn. This acquisition represents a continuation of NZL's strategy of broadening its portfolio of high-quality rural land assets and tenants. There will be a further presentation on this acquisition post this address by Chris Swasbrook.

The outlook for NZL remains very positive for future earnings and value growth. Productive and low carbon intensity rural land globally is an increasingly scarce resource. I am still surprised foreign investors seem to understand this better than many domestic investors despite the critical role agriculture plays in our economy.

With this in mind the Board and Manager are now actively looking to expand the foreign investor base to further facilitate NZL's growth and capacity to execute on the compelling opportunities that we have in front of the Company. These opportunities are only enhanced by the current interest rate driven environment.

As we approach our second anniversary of listing on the NZX I am extremely proud of what has been achieved and I wish to thank all our investors for being supportive of the journey thus far. A little patience goes a long way in this world and we all believe this will be rewarded in the years ahead as NZL continues to increase its scale and earnings. History shows, it is also reasonable to expect, as this occurs the discount to NAV closes.

Rob Campbell
Independent Chair