

## INTERIM REPORT COMMENTARY FOR PERIOD ENDING 31 DECEMBER 2020

Welcome to New Zealand Rural Land Company's (NZRLC) interim report for the period 11 September 2020 to 31 December 2020.

We successfully raised \$75 million through our Initial Public Offering (IPO) in late 2020 and listed on the NZX Market. The support for our IPO was pleasing with both institutional and retail investors joining our register. With the IPO proceeds available to deploy, our focus is now on acquiring rural land in the New Zealand dairy sector.

Our manager, New Zealand Rural Land Management Limited Partnership, is progressing due diligence as expected on a number of dairy farms in the South Island for NZRLC. The manager has been working closely with several substantial operators undertaking due diligence investigations. It is important to remind investors that despite assets being identified as potential acquisitions prior to the IPO, extensive due diligence (e.g. irrigation reports, soil testing, etc), does take time due to the size of the assets we are looking to acquire. We anticipate being in a position to announce the terms of an acquisition in several weeks.

As was discussed in our Product Disclosure Statement (PDS) our intention is to acquire rural land across various industry sectors over time. While our core, initial focus remains on acquiring dairy farms, we are having preliminary discussions with potential tenants and vendors in other sectors such as viticulture. This work will continue so that we are prepared to diversify into other sectors once we have established an asset base in the dairy sector.

Our intention remains to deploy all of the IPO proceeds towards acquiring rural land in the dairy sector with a conservative level of gearing. Before diversifying into other industry sectors we are likely to return to shareholders for additional capital through a pro-rata rights issue.

An advantage for NZRLC in implementing its rural land strategy is being a New Zealand investor and not requiring overseas investment approval to make acquisitions. This means that NZRLC must keep foreign ownership of its shares to less than 25%. At present our foreign ownership level is 22.12%. We actively monitor this ownership level and have tools in our constitution to ensure that we remain under this 25% level.

We would also like to remind shareholders the interim accounts attached to this announcement produced by BDO are unaudited. Our annual financial statements will be audited by PwC as is required by the Financial Markets Conduct Act 2013.

We thank our shareholders for their support in our IPO and we look forward to advising you on our acquisitions in the near future.

**Rob Campbell**  
Chair



**NEW ZEALAND RURAL LAND CO.**

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