New Zealand
Rural Land Co

The Rural Land **Investors**

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New Zealand Rural Land Co Reports HY26 Results

New Zealand Rural Land Company Limited (NZL.NZX) announces its financial result for the six months ended 30 June 2026. NZL recorded a consolidated net profit after tax of $4.7m and Adjusted Funds From Operations (AFFO) of $3.6m (excluding earnings from properties with put/call arrangements in place)[1].

HY26 Highlights

- AFFO of $3.6m equivalent to 2.45 cps. NZL's earning guidance for FY26 remains suspended with an update to be provided to the market once the Kiwi Crunch situation becomes clearer;
- A CPI linked rental increase of +17.3% on 7.3% of NZL's pastoral properties took effect in June 2026. A further 30.3% of NZL's portfolio was subject to a +3.1% increase during the period;
- WALT was 11.1 years at HY26, a decrease of -4.3% from FY25 (11.6 years);
- 17,077 hectares of rural land now owned, unchanged from FY25;
- Renewed Tranches B and D of NZL's banking facilities, a total of $56.5m, for three and four years respectively on similar terms. Increasing NZL's weighted average term to expiry to 2.3 years (1.5 years at the end of FY25).
- Gearing of 30.4% up from 29.8% at HY25 (+2.0%);
- Subsequent to the end of HY26 NZL settled the purchase from SI Orchards of an additional horticultural property. This adds a further 79 hectares of high-quality agricultural land to NZL's portfolio and is subject to a 30 year lease worth ~$715k annually.
- NZL paid a quarterly dividend of 1.34 cps in May 2026 and will pay a second quarterly dividend of 1.34 cps bringing the total dividend for HY26 to 2.68 cps[2];
- Net Asset Value (NAV) per share has grown from $1.25 at IPO to $1.597 at 30 June 2026 (+27.8%); and
- Net Tangible Assets (NTA) per share have grown from $1.25 at IPO to $1.607 at 30 June 2026 (+28.6%).

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

1. *Reported figures include 100% of the earnings and assets of New Zealand Rural Land Investments Limited Partnership. NZL owns 75% of this entity. AFFO and dividends are not reported on a consolidated basis and are 100% attributable to NZL.*
2. *The revised Dividend Policy is to pay 90% to 100% of full year AFFO.*

NZRLI LP Land Leased to Kiwi Crunch and Related Entities

Several entities associated with Kiwi Crunch recently had external administrators appointed. New Zealand Rural Land Investments Limited Partnership's (NZRLI LP) owns land that is leased to the following Kiwi Crunch and related entities.

Kiwi Crunch Farms

Kiwi Crunch Farms Limited (Kiwi Crunch Farms) tenanted kiwifruit orchards in the Hawke's Bay. On 7 July 2026, Kiwi Crunch Farms entered voluntary administration and was subsequently placed into receivership. In late July 2026 the Receivers advised that they did not intend to adopt the existing lease agreements. Kiwi Crunch Farms was placed in liquidation on 11 August 2026.

The Kiwi Crunch Farms leases represented approximately 5.8%* of NZRLI LP's total current annual rental income and as at 30 June 2026 Kiwi Crunch Farms owed NZRLI LP rent totalling approximately $0.7m. Management has engaged with prospective alternative tenants and purchasers in respect of the affected properties and will update the market when appropriate on the outcome.

MM Forests

MM Forests Limited tenants forestry land in the central North Island representing approximately 2.7%* of NZRLI LP's total current annual rental income. It has not had external administrators appointed, and as at 30 June 2026 it owed NZRLI LP rent totalling approximately $0.3m.

South Island Orchards

South Island Orchards tenants apple orchards in Central Otago. On 24 July 2026, NZRLI LP completed the purchase from SI Orchards of a 79 hectares property that is contiguous to NZL's existing SI Orchards property and now represents 4.6%* of NZRLI LP's total current annual rent income. The purchase price was approximately $8.5 million, with title passing to NZRLI LP on settlement.

Prior to settlement, $2.6 million of an advanced property settlement balance had been intended to be offset against the purchase price. To enable settlement to complete and title to pass, NZRLI LP did not apply that offset and instead funded an equivalent amount at settlement. The $2.6 million remains separately owing to NZRLI LP by SI Orchards Limited and the relevant guarantors.

South Island Orchards has not had external administrators appointed, and as at 30 June 2026 it owed NZRLI LP rent totalling approximately $0.2m.

Financial Impact

The ultimate financial impact of the appointment of administrators to Kiwi Crunch Farms remains unclear, as it will depend on the extent and timing of recovery of amounts owing from NZRLI LP tenants referred to above (whether in administration or not), and the timing and terms of any replacement lease or sale arrangements.

CPI Adjustments

NZL benefits from CPI adjustments for all of its properties and has received CPI adjusted rental payments from the tenants whose properties were subject to review in HY26. 7.3% of NZL's dairy assets (4.3%* of NZL's rent) was subject to CPI linked rental increases of +17.3% which took effect in June 2026. A further 30.3%* of NZL's portfolio was subject to a +3.1% increase in the first half of the year. Reflecting this, the portfolio's total lease value has increased by ~$388.4k or +1.7%. NZL's dairy leases undergo CPI review every three years, in contrast to its horticultural and forestry leases which undergo CPI review annually.

** Percentages reflect NZRLI LP's total annual rental post the settlement of the SI Orchards property in July 2026*

Dividend and Share Buyback Programme

NZL will pay an quarterly dividend of 1.34 cps in September 2026. This will bring the total dividend paid for the first half of the financial year to 2.68 cps.

As noted earlier in the year in response to KPMG's Capital Review NZL has adopted a revised dividend policy targeting annual distributions of approximately 90-100% of AFFO, paid quarterly, consistent with sector practice. The policy is designed to provide greater predictability and transparency for shareholders and will only be suspended in extreme circumstances.

The board also adopted a more dynamic approach to the Dividend Reinvestment Plan (DRP) with confirmation as to whether or not the DRP will apply provided at each dividend announcement. The DRP will not apply at this dividend payment.

The company maintains a selective on-market share buyback programme. Under the programme 710,131 shares have been acquired as at the date of this announcement.

Outlook & 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.

NZL's leases incorporate regular CPI reviews. That means inflation results in rental growth. As a ground lessor, NZL is also relatively protected from inflation-impacted, and other on-farm operational costs.

NZL's FY26 forecast AFFO guidance remains suspended as the Company continues to work through its options in relation to Kiwi Crunch. Updated guidance will be provided in the second half of the year once the outcome of the current situation becomes clearer.

Rob Campbell
Chair

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