



31 August 2021

## **RURAL EQUITIES LIMITED – RESULT FOR THE YEAR ENDED 30 JUNE 2021**

The Directors of Rural Equities Limited (REL) are pleased to announce that its audited Total Comprehensive Income for the year ended 30 June 2021 was \$14.313 million.

REL's operating earnings before interest and tax was \$6.402 million compared to \$4.985 million recorded last year.

During the year property revaluation gains, including the realised loss on the sale of one property, amounted to \$5.792 million. Gains from the Group's equity investment portfolio, including a gain on the sale of one of the investments, amounted to \$3.622 million.

REL's net asset value per share (NAV) was a record \$6.08 which is a 48 cent gain on last year's NAV of \$5.60.

A fully imputed dividend of three cents per share will be paid with respect to the financial year ended 30 June 2021, the same dividend as last year. The dividend will be paid to shareholders recorded on REL's share register at 5pm on Friday, 29 October 2021. The dividend will be paid on Wednesday, 10 November 2021.

REL's Executive Chairman David Cushing commented "We are pleased with the improvement in operating earnings and the record NAV of \$6.08 per share".

The Directors are also pleased with the excellent performance of REL's equity investment portfolio over the past few years. REL intends to accumulate a larger portfolio of equities over the long term for dividend yield and capital growth and to provide some diversification alongside the Group's core rural property portfolio.

David Cushing also said "New Zealand's geopolitical risk has increased significantly in recent times. Australia's meat, cotton, barley, wine and lobster industries have been targeted over the last year. It is imperative over the medium term that more balance is returned to our export markets. New Zealand agricultural exporters need to diversify and not be reliant on any one particular country."

The Directors have recently reviewed Directors' fees after receiving independent expert advice. Shareholders last increased REL's Directors' fees in 2012. A resolution to increase Directors' fees will be considered at the Annual Shareholders' meeting in November.

As part of REL's capital management strategy and to provide liquidity, REL intends to make an offer to all shareholders to repurchase 1,338,115 shares at \$5.70 per share. This is a 49 cent premium to the 60 day weighted average price on Unlisted<sup>1</sup>.

A shareholder who controls approximately 430,000 REL shares has entered into an agreement to accept the proposed Offer.

Given that REL shares trade infrequently, Directors consider the offer will provide shareholders who are contemplating exiting their investment in REL an ability to realise their shareholding at a premium to the current market price and without paying any brokerage fees. It is expected that the offer will open on 20 September 2021 and close on 21 October 2021. If the proposed offer is oversubscribed, the Directors will, at their absolute discretion, elect the criteria for scaling acceptances.

Initial documents relating to the proposed offer will be sent to shareholders on 1 September 2021.

*Issued by – James Wright, Chief Operating Officer – 06 870 4672*

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<sup>1</sup> Unlisted Securities Exchange – Unlisted is not a Licensed Financial Product Market.