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RURAL EQUITIES LIMITED – RESULT FOR THE YEAR
ENDED 30 JUNE 2020

The Directors of Hawke's Bay based Rural Equities Limited (REL) are pleased to announce that its audited Total Comprehensive Income for the year ended 30 June 2020 was \$3.080 million.

REL's operating earnings before interest and tax was \$4.985 million, a slight increase on the \$4.931 million recorded last year.

During the year property revaluation losses and a loss on the sale of a property amounted to \$5.712 million. This was partially offset by gains in the Group's equity investments of \$4.831 million.

REL's net asset value per share (NAV) as at 30 June 2020 was \$5.60 which is a six cent per share gain on last year's NAV of \$5.54.

REL's Executive Chairman David Cushing commented "This is a satisfactory operating result and it is pleasing to record a small increase in NAV in a declining rural property market. The market continues to be subdued due to increasing environmental costs, a lack of foreign investors, tighter bank lending criteria and the disruption caused by Covid-19".

A fully imputed dividend of three cents per share will be paid with respect to the financial year ended 30 June 2020, the same dividend as last year. The dividend will be paid to shareholders recorded on REL's share register at 5.00 pm on Thursday 22 October 2020. The dividend will be paid on Tuesday 3 November 2020.

As part of REL's capital management strategy and to provide liquidity, the Company intends to make an offer to all shareholders to repurchase up to 750,000 REL shares at a price of \$4.70 per share. This is a \$0.40 premium to the current market price.

Given that REL shares trade infrequently, Directors consider the offer will provide shareholders who are contemplating exiting their investment an ability to realise their shareholding at a premium to market and without paying brokerage fees. It is expected the offer will open on 11 September 2020 and close on 6 October 2020.

REL continues to assess long term investment opportunities in alternative asset classes. Directors have taken a cautious approach due to elevated asset prices and significant uncertainty caused by the current global pandemic.

Issued by James Wright, Chief Operating Officer, Rural Equities Limited.