

FARMRIGHT OVERVIEW




FarmRight
Investing Sustainably



Pahau Dairy Ltd, Culverden, North Canterbury.
This farm is 242 effective hectares and milks 866 cows.

Front cover image, NZSF Rural Land Ltd, Valley Vineyards,
Awatere Valley, Marlborough. Productive area of 187
hectares along the Awatere River terraces.

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COMPANY HIGHLIGHTS



Value of assets
\$1.12bn



Operating since
2000



Properties under
management
59



Number of
Staff
47
(corporate team)



**Manager for
NZ Super Fund since
2010**



**New Zealand Super Fund
portfolio value
circa **\$800m****



Being exceptional farmers and growers is the building block of our business, delivering sustainable returns and ongoing growth opportunities for investors.



Watch Video

www.farmright.co.nz

A large herd of cattle is gathered in a green field. In the background, there is a long barn with a white section on the right. Beyond the barn, there are evergreen trees and a range of brown, rocky mountains under a blue sky with light clouds. A semi-transparent grey shape is overlaid on the top right of the image.

FARMRIGHT CAPABILITY STATEMENT

At FarmRight, we understand that prospective investors need to get to know us before deciding if they can assign us management of their hard-earned money.

Who are we? What are our credentials? Can we be trusted?

We hope that this Corporate Capability Statement will help provide the answers to these important questions.



HISTORY

FarmRight was founded in August 2000 in response to an opportunity to fill a service gap in New Zealand's dairy farming market. With equity partnerships, corporate ownership and large-scale family holdings in dairy farming increasing, FarmRight fulfilled the need for specialised business management.

Just ten years later, the New Zealand Superannuation Fund (NZSF) selected FarmRight as investment manager of a significant rural investment mandate. It was a pivotal moment for the business. Focus shifted from delivering exceptional returns in one investment sector to achieving excellence across multiple investment sectors.

In 2017 FarmRight expanded capability into viticulture and horticulture. Having launched with a portfolio of three managed dairy farms, today it manages 59 properties across New Zealand. These include dairy farms, beef farms, orchards, vineyards and hop gardens.

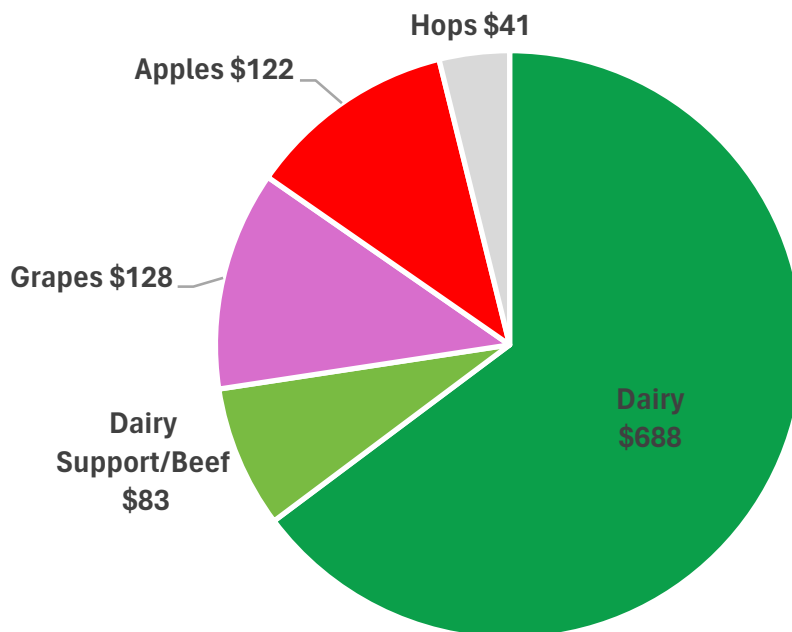
With over one billion dollars of assets currently under its management, FarmRight focuses on providing a full range of investment management solutions to well governed, long-term institutional and private investors. The NZSF remains a major and valued client today.

Our staff are located throughout New Zealand, with offices in Christchurch, Winton and Te Awamutu. We also have majority ownership of FarmRight Asset Management Australia Pty Limited, a rural investment management company operating in Queensland and New South Wales.



CURRENT PORTFOLIO AND CLIENTS

FarmRight Portfolio March 2024 (\$mn NZ)





NZSF Rural Land Ltd – Appleby Orchard
Nelson District. Appleby Orchard has a
productive area of 77 hectares of apples.

Dairy farms take precedence in our New Zealand portfolio, complementing fast-growing sectors which include winemaking grapes and apples. We are poised to add kiwifruit in the near future.

FarmRight's largest client is the New Zealand Superannuation Fund (NZSF). We have enjoyed a successful partnership with the NZSF since 2010, growing initial dairy investments to a diverse portfolio comprising horticulture, viticulture and hops.

Other clients include several New Zealand private companies with property holdings ranging from one to ten farms.

“Dollars and cents matter a lot in our business, but success comes from the relationships.”

Jim Lee, FarmRight CEO

FarmRight's investment strategy is based on three key objectives:

- Deliver existing clients' investment, environmental, social and governance goals.
- Optimise current investor portfolios through operational excellence, property improvements, land use change, divestment and acquisition as appropriate.
- Source new investor capital for deployment, management and growth.

VALUES

At FarmRight, we are committed to being exceptional farmers and growers who manage risk, people and sustainable outcomes for our valued stakeholders.

Our values drive the way we go about that. Those values are:



TAKE A LONG-TERM SUSTAINABLE VIEW

FarmRight strives to sustainably produce natural products for New Zealand and the world, while prioritising care of the environment, water and people.

All of our business assets operate under a comprehensive sustainability strategy which is overseen by a dedicated Sustainability Department.

We attract investment partners who share our sustainability values. Long-term institutional investor, the New Zealand Super Fund, also focuses on enduring, sustainable investment that delivers strong returns. It cites a positive link between sustainability and financial performance.

FarmRight believes that the privilege of managing assets over the long term comes with a responsibility to care about the impact those assets have on the environment and community.

Our values are anchored to sustainability, enabling us to work towards a future where agriculture coexists harmoniously with the environment.

Read more about our sustainability strategy and targets under "Sustainability/ESG".



BE OPEN, HONEST, AND ETHICAL

At FarmRight we understand the responsibility that comes with investing, managing and accounting for other people's money. Trust and transparency are key.

Long-term institutional client, the New Zealand Superannuation Fund, has been an investment partner since 2010. We have grown NZSF assets from one dairy farm to a portfolio of multiple agri-business properties in Australia and New Zealand worth over a billion dollars.

Former CEO of the Fund, Matt Whineray, believes FarmRight's highly regarded company culture is defined by honesty.

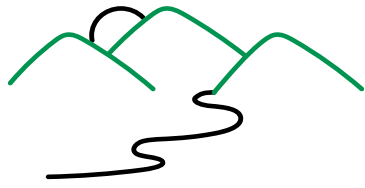
"FarmRight is...fantastically honest... open to growing...open to developing new capabilities...really hard working...very reliable...and all of those things mean we can trust them. We're very comfortable, having got to know them over a long period of time."

Matt Whineray, former CEO of the New Zealand Superannuation Fund.

At every level, we prioritise open, honest communication with our shareholders and stakeholders so we can operate with integrity.



Sam and Renata Woodford, Farm Managers at NZSF Southland Farms Ltd. Kaiwera Farm is 900 effective hectares and runs 2,500 beef cattle.



ENJOY THE JOURNEY, MAKE IT FUN

We are proud of the way that many others view our company.

Outsiders see that we are passionate about what we do and that we share strong work relationships developed through an inclusive and fun team culture.

As a result, we see better results from our properties and ultimately, better results for our clients.

Active social clubs in each office connect and engage our team members. Christmas is celebrated with an activity, dinner and awards. Staff who have been with FarmRight for 1, 5, 10, 15 and 20 years are also recognised throughout the year.

The FarmRight annual conference brings farm managers, some 2ICs, suppliers and sponsors together to connect and celebrate. Farm managers have the opportunity to exchange knowledge, support each other and form long-lasting relationships. Importantly, it allows managers to feel that they are part of a wider team, where their contribution plays an important part in the overall success of the business. Keynote speakers deliver insights on topical themes such as leadership and climate change, while the night's awards recognise success on an individual and farm level.

The "Friday Flash" is a popular, fun way for work colleagues from different regions to stay connected with a summary of their week and any personal news and views they wish to share.



BE COURAGEOUS

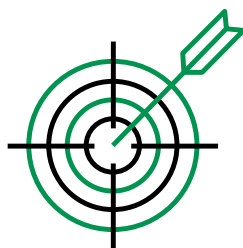
It took courage for the FarmRight founders to fundamentally change the way expanding businesses could be managed. A partnership with several newly-independent consultants with similarly courageous mindsets, saw the inception of FarmRight in 2000.

When the Global Financial Crisis hit, FarmRight looked to options for longer-term funding. A partnership with the New Zealand Superannuation Fund was forged. Existing long-term, private-equity partnerships were maintained, while shorter-term partnerships were exited.

Again, courage was called for. It meant stepping up to navigate the new, more complex standards of an institutional investor. The focus was shifted from delivering outstanding returns in only dairying to achieving excellence across different investment types.

FarmRight continues to show courage today through bold, innovative decision making. This includes setting ambitious sustainability targets across all its business assets and committing to open, honest conversations with shareholders. It has actively embraced a new management system, expanded into new sectors, and does not hesitate to identify opportunities for land use changes due to climate change.

We also elect to employ and nurture emerging talent. Having been provided with the support and tools to flourish, these young stars now fill leadership roles and are propelling FarmRight to the next level.



PURSUE WIN/WIN/WIN

At FarmRight we pursue solutions that benefit our investors, our staff and the environment. We strive to maximise food safety, efficiencies in production and ensure that our shareholders and stakeholders are engaged.

Narrowing the scope, we also work to ensure that all parties connected to the business win. We are in constant pursuit of excellence for our investors, our team and our company.

“...the team at FarmRight is very competent at farm asset management, they’ve been doing this for a long time. They understand how to manage farms, to maximise the efficiency of the farms and maximise the outcomes from an investment perspective.”

Matt Whineray, former CEO of the New Zealand Super Fund.

We know that our most important assets are our people. So we invest in them every way we can. Equal importance is placed on the success of all involved, from the grassroots up.

We also recognise that winning sometimes involves taking risks. So we are not afraid to take on and grow emerging talent. Several newcomers who started in trainee roles have now progressed into senior leadership. FarmRight’s investment in them is repaid through loyalty, dedication and hard work. They win, our investors win, the business wins.

The implementation of Lean Management has been a win for all parties as well. The approach focuses on creating value for the client through continuous improvement of people and work processes, while identifying and adopting efficiencies in the business operation.

Ensuring that everyone wins - including future generations - is critical to achieving sustainable and enduring outcomes.



Valley Vineyards, Awatere Valley, Marlborough.
Taking pride in a sustainable business that will be here for years to come.



We're playing the long game. We have history, but we are always looking ahead. We take a whole picture view of sustainability, from the land to the people, ensuring we have a sustainable business that will be here for years to come.



Watch Video

www.farmright.co.nz/our-values/take-a-sustainable-long-term-view

SUSTAINABILITY

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

FarmRight is committed to playing its part in moving New Zealand's agricultural industry towards a more sustainable future. We work to sustainably produce natural products for the world, while prioritising care of our environment, water and people for the long-term benefit of our shareholders and stakeholders.

Since 2020, FarmRight has been operating its assets under a sustainability strategy overseen by a designated sustainability department.

The strategy comprises four pillars:

- ✓ Our People
- ✓ Our Environment
- ✓ Our Global Community
- ✓ Sustainable Return

We have implemented:

- key performance indicators for each sustainability pillar
- reduction targets for greenhouse gas emissions
- adaptation strategies for future climate impacts
- benchmarking to measure sustainability progress between farms

We are proud to say that we have achieved:

- an 11% reduction in greenhouse gas emissions per hectare over the past five years within our largest dairy portfolio. This is due to continuous improvement of nutrient use efficiency, improved irrigation practices and adjusted stocking rates.
- 110 kilometres of waterway fencing on our bull beef unit in Kaiwera (South Island) and the planting of 5,000 riparian species along its creeks. Sediment traps throughout the property capture sediment, prevent downstream contamination and maintain water quality.
- fewer dairy industry culls by farming bobby calves at our Kaiwera bull beef unit that would otherwise be discarded.
- DNA water testing across all farm assets to understand the ecology and health of water systems, informing future water quality improvements.
- minimal disturbance to soil carbon with the goal of continuously improving soil health.
- management and growth of our horticultural assets with historically low greenhouse gas emissions.

At a company level, we strive to ensure that FarmRight is a sustainable career choice for our talent. We prioritise the physical and mental well-being of our people, support them in all aspects of professional development and actively foster their involvement in the business.

At a higher level, we provide sustainable solutions for our global community by maximising food safety and efficiencies in production, while ensuring that shareholders and stakeholders are engaged.

FarmRight aims to accelerate the move to a sustainable future by leading on-farm management improvements in biodiversity, water quality, soil health and animal welfare targets. We believe that a sustainable agricultural industry in New Zealand is characterised by free-roaming animals on pasture-based systems.

Our team works closely with industry partners and national research departments to provide innovative, sustainable work solutions where our environment and our people can thrive.

OPERATIONAL MANAGEMENT, ACQUISITION AND DEVELOPMENT

“And there’s just a great fit with the team in terms of FarmRight’s capability. We’ve really seen that shine through in the management of our portfolio.”

Matt Whineray, former CEO of the New Zealand Superannuation Fund.

OPERATIONAL MANAGEMENT

FarmRight was founded during the expansion of the dairy industry in southern New Zealand in the early 2000s.

Our focus has always been on replicating the exceptional operational outcomes of agribusiness leaders. Over decades, we have refined and improved our operational management model across multiple sectors.

That experience and knowledge laid the foundations for FarmRight’s dairy expansion across regions in New Zealand and Australia. This has grown to include other agricultural and horticulture sectors within New Zealand.

FarmRight’s role is as Investment and Asset Manager, so we maintain a strong focus at an operational level. There are several people connected with each business unit, inside and outside the farm gate, each with individual roles and responsibilities. So we take a team approach to operational management, where we are all in it together.

Having a clear understanding and alignment of the business expectations at all levels is critical to achieving successful outcomes. We collaborate with clients to develop business strategies, ensuring alignment on critical focus areas for the business or asset.

Our assets include dairy, beef, apples, hops and grapes. Each individual asset unit has its own farm manager, who is responsible for operations inside the farm gate. Our corporate operations teams work with the farm manager and their team to support them in meeting asset unit targets.

We have strong tenure within our on-farm management team. This is bolstered by our corporate operational team, which has over 140 years of combined farm-level leadership experience.



Apolline Komene, Operational Excellence Leader, running a team workshop at the FarmRight corporate head office in Christchurch.

ACQUISITION

As investment managers, acquisition has been a critical part of our business.

We create deployment strategies with our clients to ensure alignment on target sector, regions and importantly, risk-adjusted returns.

We have comprehensive processes and sophisticated analysis tools to best align assets with these deployment strategies.

Our ability to meticulously analyse sectors, regions, and understand return potential, provides the capability to deploy into new sectors and regions.

We take a long-term view on portfolio management. Any investment manager can deploy capital, but FarmRight's disciplined approach to acquisition ensures that we meet our own stringent internal expectations.

This responsible approach has allowed us to acquire over 70 dairy properties in both New Zealand and Australia, 4 beef farms, 320 ha of apple orchards, 589 ha of vineyards and 139 ha of hop gardens in New Zealand.

We have deployed foreign capital into New Zealand and Australia, managing Overseas Investment Office (New Zealand) and Foreign Investment Review Board (Australia) processes on over 20 transactions.



DEVELOPMENT AND LAND-USE CHANGE

Asset development is a core competency for FarmRight. We have developed over 5,000 ha into dairy land; but our expertise also extends to beef conversions, farm infrastructure, vineyard, orchard, hop garden, and irrigation redevelopments.

Currently we are overseeing a progressive 120 ha apple orchard redevelopment. Innovative growing structures that support high yields of high-value varieties will help boost productivity and sustainability,

Our development programmes are determined by targeted capital allocation informed by strategic plans and 10-year budget forecasts.



Workers enjoying the apple harvest at Appleby Orchard, Nelson District.



The Recognised Seasonal Employer (RSE) Scheme allows horticulture and viticulture employers to recruit overseas workers for seasonal work when there are not enough New Zealand workers available. Appleby Orchard, Nelson District.

PEOPLE, SAFETY AND CULTURE

SAFE & WELL

FarmRight's health and safety framework is titled 'Safe and Well' because our priority is to keep our people safe and well. It is designed to protect everyone on our farms, orchards, gardens and vineyards from harm.

The framework shapes the way our people work. Under it, they are required to consider the hazards and risks, experience and resources needed to undertake a task safely.

Workers in dairy, beef, horticulture and viticulture environments can be exposed to a range of natural, mechanical and chemical risks not found in other workplaces. 'Safe & Well' proactively promotes the wellbeing of our staff by ensuring they uphold safety policies and procedures, in addition to meeting industry regulations.

The framework aims to:

- ✓ reduce accidents & injuries
- ✓ foster a positive work culture
- ✓ increase staff engagement
- ✓ retain good staff
- ✓ improve operational practices
- ✓ lift the quality of the outcome
- ✓ boost productivity
- ✓ continually develop & improve over time

There are nine sections of the Safe and Well framework:

1. Worker Participation and Engagement
2. Information, Training and Supervision
3. Vehicle and Machine Maintenance
4. Hazard and Risk Management
5. Emergency Procedures
6. Incidents and Event Management
7. Contractors
8. Audit and Review
9. Wellbeing

Each section explains the relevance of 'Safe & Well' for that setting and how to action its requirements.

We regularly review policies, procedures and incident reports to identify opportunities to improve risk management and the promotion of safe working practices.

ENGAGEMENT

Engaged employees are more likely to be invested in their roles, achieve higher levels of productivity, and contribute positively to the overall success of the business.

“We feel that working at FarmRight should go beyond job satisfaction to generate a deeper connection and sense of purpose with our employees.”

Desiree Barnes - Manager People, Safety and Culture

FarmRight conducts an annual corporate engagement survey to gather team insights into potential areas for improvement.

The latest survey found that:

- 96% of responses recorded average to high results of engagement.
- an average score for farms of 86% for both engagement and participation suggests that our people feel supported in the workplace and that they are part of the team, no matter where they are located.

According to staff responses, this is due to:

- ✓ setting clear expectations
- ✓ consistent communication
- ✓ understanding resource requirements
- ✓ accessible wellness programmes

We understand that optimum engagement occurs when our people feel that they are supported and know that we care about their wellbeing.

To read more about how we boost team engagement, see [“Enjoy the journey, have fun along the way”](#).

PEOPLE POLICIES

Our people policies outline expectations about how we manage and behave as employees and employers. They serve these important purposes:

1. Provide consistency in decision-making and setting standards regarding what is acceptable and not acceptable.
2. Ensure fair treatment and protection of employees' rights
3. Assist in shaping and maintaining a positive workplace
4. Advocate equal opportunity for all employees
5. Outline guidance and expectations regarding behaviour, performance and responsibilities
6. Affirm legal compliance by ensuring that FarmRight adheres to employment laws
7. Promote a workplace where concerns can be both raised and addressed in a fair and consistent manner

FarmRight's people policies guarantee a structured, fair and compliant work environment that fosters employee well-being, engagement and organisational success.



We're in a serious business, but we try not to take ourselves too seriously. Celebrating success, enjoying what we do and building better relationships brings the fun to life. We pride ourselves on our inclusive team culture.



Watch Video

www.farmright.co.nz/our-values/enjoy-the-journey-make-it-fun



Desiree Barnes
Manager Human Resources
and Safety & Wellbeing

OUR PEOPLE



JIM LEE

Chief Executive

“My passion is driving excellence for everyone involved in FarmRight. Dollars and cents matter a lot in our business, but success comes from the relationships. The actual satisfaction success brings is what it does for the people and for the land. The achievement is what we have done for the people and the land, and we have done it together.”

Jim is a seasoned Chief Executive with a background in agribusiness investment management, banking and finance.

He has a track record of exceeding shareholder expectations and delivering positive outcomes for all stakeholders. Recognised as an astute strategic thinker and a collaborative and empathetic leader with a strong values base, Jim has fostered and guided the harmonious team environment at FarmRight, underscoring his commitment to inspiring achievement in others.

Jim is experienced in supporting boards and management with a practical, outcomes-driven approach. As a down-to-earth leader, he influences, supports and challenges in a respectful manner, building lasting productive relationships.



GAVIN TAYLES

Chief Operating Officer

“For me, it’s a team approach, we work collectively to achieve and my role is enabling people within the team. It is the people who make it happen.”

Farming and FarmRight go hand in hand for Gavin. Born and bred on the family farm in Southland, he’s always had a passion for farming.

With time spent farming, followed by study at Lincoln University, Gavin joined us in 2000 straight out of university, and he’s been here ever since. In the early days he was still actively involved in his family farm, and joined FarmRight in a more technical/practical role, progressing through the business.

“I came into FarmRight at a consultancy level and moved through to investment manager and portfolio leader, then Chief Operating Officer. I realised the challenge and excitement, for me, is working with the people. That challenge and enjoyment of being part of a team is the bit that gets me out of bed every day.”

As COO, Gavin has responsibility for the outcomes of all the farming operations across the company, and the acquisitions team. With significant farming assets, his focus is helping, supporting and enabling our team to execute deliverables. Gavin takes pride in the team environment at FarmRight, working together to achieve success.



MARK PAUL

Chief Financial Officer

“FarmRight’s service offering is unique within the agriculture industry, and it has significant aspirational goals for growth. I wanted to be part of that journey. This, along with FarmRight’s culture and opportunities for professional development, has kept me with the company for five and a half years now.”

When Mark joined FarmRight as Chief Financial Officer in 2018 he brought with him broad experience in senior finance roles, across a range of sectors.

Cutting his teeth with PwC, one of the big four accounting firms, he went on to hold senior finance roles with a number of organisations. These include AMI Insurance, the Canterbury Earthquake Recovery Authority (CERA), which was established to lead and coordinate the Government’s response and recovery efforts following the Canterbury earthquakes, and Otakaro (now Rau Paenga), the Government company that delivers infrastructure to support the post-quake regeneration of central Christchurch.

As well as being a finance professional, Mark has gained extensive leadership experience and exposure over many years to aspects of the wider Corporate Services function, including risk management, audit, investment management, and IT.

As CFO at FarmRight, Mark is responsible for leading our finance, risk, IT and data functions.



APOLLINE KOMENE

Operational Excellence Leader

“I’m focused on improving the working environment by removing waste. I’m also looking for opportunities to make things more engaging, help people find their purpose, live their values, and how they can bring that into the workplace. My philosophy is, the truer people are in their work, the more value they will bring to the job.”

People are our success, and for Apolline, a career centred around people has been the focus. She brings the ability to problem solve and approach situations from an analytical perspective – constantly striving to do things ‘better’.

With a background as a legal secretary and in retail banking, after having children she gained a degree in Agri Commerce, majoring in International Business, from Massey University. She chose to minor in Human Resources, knowing people were her passion.

Apolline has had a long association with FarmRight, from grassroots through to corporate, living on a farm her husband managed for FarmRight from 2012 through to becoming part of the corporate team just over two years ago. She has grown her expertise and skillset, particularly in lean management, alongside FarmRight’s Operational Excellence growth and strategy.

She thrives on making continuous improvements in the workplace, big or small, and aims to leave each day knowing the company is moving forward.

OUR PEOPLE



DESIREE BARNES

Manager People, Safety and Culture

“I want people to feel safe, have fun, have opportunity and to thrive. Farming can be a lonely occupation and our people know they have that support and backstop to turn to. We are building a community and we are there for them.”

Joining FarmRight represented coming full circle for Desiree, who grew up on a sheep and deer farm but always knew she didn't practically want to be a farmer. People are her passion, and she's made her career from harnessing the potential in people and ensuring they feel valued in their work.

Desiree spent 13 years in the military, where she met her husband Robert, taking on a leadership role in recruitment. After having a family, she decided to take the leap into people management and studied towards a business degree in human resources development and strategic management.

She then spent two years working in the high voltage industry, followed by ten years in construction following the Christchurch earthquake, honing her skills in Health and Safety along the way.

She sees people as key to FarmRight, and looking after their wellbeing is crucial to success.



ED TAPP

General Manager NZSF Portfolio

“FarmRight has invested in my development, and I have been able to rapidly develop in various FarmRight roles through dedication and a drive for challenge. These roles have given me experience in leadership, coaching, strategy development, health and safety and financial management.”

He may not have a farming background, but Ed has always had a passion for the New Zealand agriculture industry.

Ed went through Lincoln University on a DairyNZ scholarship, which was designed to encourage young people into the dairy industry. In 2007 he joined FarmRight as a bonded trainee consultant and was placed on a farm for a year. This was a win for Ed, who gained valuable practical experience while spending time each month with FarmRight consultants learning the ropes.

Over his 15 years at FarmRight, Ed has progressed from a trainee consultant to a senior leader within a growing company. His current roles are General Manager of the NZ Super Fund (NZSF) Rural Portfolio (dairy, horticulture and beef), Executive Team Member and FarmRight Director.

In his role as General Manager of the NZSF Rural Portfolio, Ed contributes to the development of strategic and significant operational plans, leading the successful execution of these.



JULIA GIERATHS

Sustainability Leader

“Sustainability an integral part of FarmRight, with the goal to drive and lead change in sustainable agriculture. We can lead sustainable food production in a way that benefits people, environment and communities, all while delivering a strong financial performance. This creates long-term value for our investors, stakeholders, people and society.”

As sustainability leader for FarmRight, Julia’s goal is to support New Zealand and FarmRight’s journey of sustainably producing food, all while caring for our environment, people and communities.

Born and bred in Germany, Julia moved to New Zealand in 2015, discovering a strong passion for agriculture and completing a range of qualifications, including nutrient management, greenhouse gas emissions and dairy production management. She also spent two and a half years working on a dairy goat farm.

She joined FarmRight in 2017 as Farm Investment Support and in 2021 moved into the sustainability role with a desire to embrace and be part of the change and implantation of sustainable food production. She saw it as an opportunity to make a significant difference and contribution to reshape the industry, to become resilient for future changes.



KENT ANSELM

General Manager Business Development

“Success is identifying rural investments that deliver returns through maximising the sustainable natural capital potential of the resources, while enabling our people to grow and achieve their personal goals”

From an intergenerational farming family in the central North Island of New Zealand, farming and investment is in Kent’s DNA.

After graduating from Massey University, Kent worked in rural banking in New Zealand and multi-national finance companies in the UK before joining FarmRight in 2006 to establish an investment portfolio in the North Island.

“I utilised my banking and finance skills along with my hands-on farming experience to establish the FarmRight business in a new area. From there I have led various aspects of the business before a 12-month sabbatical in Scotland in 2023. I’m pleased to be back leading the critical area of business development”.

As General Manager Business Development, Kent is responsible for new client relationships, raising capital for new acquisitions, and deploying that capital into suitable rural, land-based investments.

Kent is also an Executive Director of FarmRight.

OUR DIRECTORS



ALBERT BRANTLEY

Chair, Independent Director

“FarmRight is a leader in farming best practice with great internal values that delivers great outcomes for its employees, farm investors and shareholders, and I am proud to serve as their Chair.”

Trained as an engineer and geologist, over the past 45 years Albert has lead the construction and operation of large-scale oil and gas, mining and utility assets throughout the world. Until August 2018 he was the Chief Executive of Ōtākaro Limited, the Crown Company responsible for the Anchor Project programme for central Christchurch, and was the Chief Executive of Genesis Energy for eight years before that. In New Zealand, he has held similar executive roles for OceanaGold Ltd and L&M Mining Ltd.

Most of Albert’s experience has required senior level political, regulatory and environmental management, as well as multicultural community and stakeholder relations management.

A Chartered Fellow of the Institute of Directors, Albert has provided Board level governance for the past 25 years, and is presently the Independent Chair of the HW Richardson Group and Leighs Construction Limited, as well as FarmRight Ltd. He is also a Director of Ballance Agri-Nutrients, the Energy and Electricity Conservation Authority, Westpower and the LGNZ Independent Assessment Board.



SIMON FLOOD

Independent Director

“My experience in working with sophisticated, institutional wholesale clients complements the work that FarmRight has done to date, it’s a great fit.”

As a FarmRight Independent Director, Simon brings a wealth of experience, business leadership and a global perspective on the investment management industry.

He has held a variety of senior investment management and business leadership roles in London, Hong Kong and Singapore and, since returning to New Zealand in 2015, he has been appointed to several governance positions across a variety of sectors.

A fund manager by training, Simon’s background of engagement at senior level in global asset management businesses has great synergies for FarmRight. He brings fund management skills at an analytical level, coupled with a deep understanding of how asset management businesses work.



TONY CLELAND

Shareholder Director

“The most exciting part of my career has been helping grow leaders who are achieving their goals within the business.”

Tony has a long history of involvement in the primary sectors in New Zealand, starting out at grass roots as a traditional farm worker and progressing through the ranks to farm ownership and into the corporate sector. As a co-founder of FarmRight, Tony has been part of our journey from the start.

Beginning his career as farm worker, Tony progressed to sharemilker and then farm ownership, purchasing his first farm in Southland at 25-years-old.

Along with his wife, Alison, Tony grew this farming business and has a number of farm investments in Southland. The couple own and are actively involved in Carrick winery, a 32-hectare vineyard, restaurant, winery and cellar door in Central Otago.

He was a co-founder of FarmRight in 2000 and has been a director ever since, still working in the business. As well, Tony is a shareholder in Southern Sky Dairies Ltd (SSDL), a large client of FarmRight, with 10 farms.

Tony was a director of FMG insurance mutual for 16 years and Chair for six years, retiring from this role in August 2023.



NZSF Rural Land Ltd – Oast-House Hops, Upper Motueka, Nelson District. Hop cones turn vibrant green when ready for harvest.



NZSF Rural Land Ltd – Oast-House Hops, Nelson District.
Aromatic hop cones grow on long leafy hop vines.
Harvesting is the busiest time of the year and work is
underway from dawn to dusk.

OPERATIONAL EXCELLENCE

Operational Excellence is the model that delivers results for our investors, our people and our business.

FarmRight Operational Excellence = People Centred Leadership + Growth Mindset + Continuous Improvement.

Rapid growth within FarmRight prompted the adoption of a Lean Management strategy in 2015. The client-centric model focuses on continuous improvement and pinpointing operational efficiencies. Since then, its principles and methodology have been fully integrated throughout the business.

We enhance profitability by continuously identifying and removing waste from value streams. Investigating an issue's root cause allows us to execute a business strategy more effectively and efficiently than our competitors.

Creating and maintaining continuous improvement is innate. We never stop striving for excellence in our field. We do this by deliberately focusing on the development of our systems, processes and people.

Operational Excellence (OE) allows our people to think bigger, creating space for individuals to excel while maintaining guidance and structure. We offer a wealth of knowledge and expertise in developing robust systems that empower stakeholders to perform to their highest potential.

By pursuing a 'creativity over capital' mindset, we explore all possible solutions to challenges and improvements, ensuring we never compromise our values or strategic direction.

We offer exceptional value stream management with visual management tools. Our tools are in sync, clearly communicating expectations, current situations and emerging risks in real-time.

This transparent flow of information is routinely audited to ensure its integrity.

OE IS USED ACROSS THE BUSINESS IN:

- Process improvements
- Visual Management / Change Management / Project Management
- System analysis and identifying what tools are best for the job
- Understanding gaps in operations by analysing our current state and determining a better outcome
- Identifying and removing waste to streamline business processes
- Enhancing training to best support our people
- Ensuring we develop lean thinkers to strive for the next improvement and dig deeper into the why of a problem
- Creating and understanding problems, ensuring we seek simple solutions, and focus on continuous improvements across the business

FINANCE, RISK, IT AND DATA

FINANCIAL MANAGEMENT

The FarmRight Finance team forms an integral part of FarmRight's investment management service offering.

The Finance team manages all day-to-day on-farm accounts payable, accounts receivable and payroll. This includes efficiently maintaining systems, processes and controls, including delegated authorities and cash management controls.

The team also manages Inland Revenue returns and payments, such as Goods and Services Tax, Fringe Benefit Tax, Payroll taxes (called PAYE in New Zealand) and income tax for the investment entity. In instances where specialist tax knowledge is required, FarmRight engages tax specialists.

Budgets are prepared with input and buy-in from on-farm staff, informing ambitious but achievable targets. Expenditure budgets are set and monitored with a view to continuously improving operating efficiency.

Forecasts are prepared during the year to assist the operations team identify any specific areas for improvement.

FarmRight reports to all levels of the organisation. The FarmRight Executive Team monitors portfolio performance, providing regular reports to investors. Monthly financial and non-financial reports are reviewed by the Operations and on-farm teams to enable effective monitoring of performance.

Investor reports can be customised. Options include monthly client reports on operational performance and quarterly reports highlighting operational, industry or strategic issues.

FarmRight has a team of fully qualified Chartered Accountants that prepare year-end statutory financial statements under International Financial Reporting Standards (IFRS). If an audit is required, the finance team facilitates this process.



RISK MANAGEMENT

Risk is managed across the FarmRight portfolio to ensure that the strategic objectives of the organisation are met.

Due to the nature of FarmRight's business, risk is managed for our internal operations, as well as for the investments we oversee.

FarmRight operates a multi-faceted Risk Management Framework that provides layers of mitigation controls, including (but not limited to):

- » Risk-based internal audits over the assets under management, along with external Health & Safety audits
- » Detailed Risk Registers that are maintained through workshops with senior leadership
- » A FarmRight Board-approved Risk Appetite Statement which underpins the business' strategic decision making
- » Anti-Money Laundering and Countering Financing of Terrorism Compliance Programme

In addition to managing existing risks, FarmRight is proactive about understanding emerging risks. We have the processes in place to regularly assess the changing risk landscape in which the business operates.

TECHNOLOGY

We are a dedicated IT team committed to ensuring the security and integrity of our technology platforms. Our team is composed of both internal and external highly-skilled IT professionals who specialise in IT operations, cybersecurity and data management.

Capabilities

- » IT Operations: We operate a broad range of modern cloud-based platforms that empower our workforce, with seamless access to essential resources and systems.
- » Cyber Security: We proactively monitor and mitigate potential cyber threats to safeguard our organisation's digital assets.
- » Data Management: We manage the organisation's data effectively, ensuring its availability, integrity and security.

Differentiators

- » Tailored Solutions: We understand that every request has unique IT needs, so we tailor our services accordingly.
- » Continuous Learning: We stay updated with the latest trends and advancements in IT Operations, Cyber Security and Data Management to provide the best possible service.



CASE STUDIES





Valley Vineyards, Awatere Valley, Marlborough. Productive area of 187 hectares. Riparian planting improves FarmRight's environmental performance and acts as a filter and stabiliser, protecting water quality and decreasing erosion.





CASE STUDY

HORIZON DAIRY FARM (MID-CANTERBURY)

Large mid-Canterbury property delivering certified best practice dairy farming and a 9.0% p.a. IRR since acquisition.

Horizon Dairy Farm: 626 Hororata Dunsandel Road, Dunsandel, Canterbury

- Large-scale 373-hectare pivot, fixed grid and K line irrigated seasonal supply dairy unit
- Acquired in November 2016 for \$15.5 million
- Located in the Dunsandel region, considered a prime NZ dairy location
- Milks a total of 1,191 cows on a milking platform of 325 hectares
- Produces 477,631kgMS on average with cows wintered off-farm
- Contract milker arrangement (previous contract milker promoted to operations manager)
- **On average over the last 7 years, the asset has produced:**

12.6% P.A.
Total return

6.6% P.A.
ROA

Asset base
grew by
2.6% P.A.

9.0% P.A.
Unrealised
IRR



Aerial view of Horizon Dairy Farm



Horizon Dairy Farm's on-farm infrastructure

Environmental Sustainability Improvements

BEST PRACTICE

Gold Plus has additional standards above 'Gold' that must be met. These requirements cover the four pillars. Suppliers are ISO/IEC 17065 certified (Certified Members) and premium payments are paid for their milk.

GOLD | PLUS

- Improved effluent system allowing water flow to the pivots
- Worked with local government to reclaim gravel land for the farm
- Reduced the impact of flooding via maintaining relationships with neighbours
- Synlait supply Gold Plus accredited

CASE STUDY

ALTIMARLOCH VINEYARD (MARLBOROUGH)

Large-scale Sauvignon Blanc vineyard delivering a 16.1% p.a. IRR since acquisition.

Altimarloch: Awatere Valley Road, Marlborough

- Large-scale 321-hectare vineyard, growing Sauvignon Blanc varieties
- Acquired in May 2019 for \$33.1 million
- 209.5 hectares of vines developed progressively over the past 19 years producing 6-year average of 14 tonnes / hectare
- Grape supply agreements with three well-established wine companies
- Dam built to improve water security and future reliability
- Land values per hectare have increased over the investment period, with the largest gain in 2022 from circa \$181k/ha to \$300k/ha in 2022
- **On average over the last 5 years, the asset has produced:**

15.5% P.A.
Total return

4.0% P.A.
ROA

Asset base
grew by
14.1% P.A.

16.1% P.A.
Unrealised
IRR



Aerial view of Altimarloch Vineyard



Sauvignon Blanc



Vineyard dam being lined



OPPORTUNITY

**GREENFIELD APPLE DEVELOPMENT
(CANTERBURY)**

GREENFIELD APPLE DEVELOPMENT (CANTERBURY)

Large-scale single variety delivering a forecasted 13.7% p.a. IRR over 10 years and 16.5% over 15 years.

OPPORTUNITY

Climate change is affecting all areas of New Zealand in different ways. Investing in natural resources will create options should the land use change in the future. Cultivating popular consumer varieties and developing new varieties that are best suited for specific growing climates will help see the continued success of the apple industry.

Through research and technology, industry players are developing varieties that are more resilient to the changing climate. Canterbury has been identified as a potential area of interest. The region has good soils, reliable water availability and is a good fit for organic production. In addition, it has a microclimate that is conducive to growing pipfruit varieties which prefer a cooler climate.

CHANGING APPLE LANDSCAPE

The pipfruit landscape in New Zealand is shifting with more “club varieties” being introduced. Since 2000, new cultivars have been trademarked to control the amount of fruit in the marketplace to try to keep prices high, and to increase the financial return to the breeding programme.

FINANCIAL ANALYSIS

Investment Opportunity	125 canopy ha under hail netting
Investment Size	NZD 60m (majority spread over 3 years)
Average Return on Assets	+15% p.a. over 10 years
EBITDA margin	+50% p.a. from high paying varieties
10 year Internal Rate of Return	+13% p.a.





OPPORTUNITY

**MATURE KIWIFRUIT INVESTMENT
(BAY OF PLENTY)**

MATURE KIWIFRUIT INVESTMENT (BAY OF PLENTY)

Large-scale single variety delivering a forecasted 10.7% p.a. IRR over 10 years.

OPPORTUNITY

Kiwifruit is still an undeveloped category with less than 1% of the global fruit bowl, but with a huge growth opportunity. Zespri has developed good-quality demand through market development, brand and category growth.

INVESTMENT STRATEGY

Region

- » Bay of Plenty region such as Te Puke, Pukehina
- » Target orchards that are 15 ha or larger, or a cluster of neighbouring orchards that are collectively larger than 10 ha
- » Target sub-regional diversification where possible.

Varieties

- » Target SunGold plant variety, but would consider a large-scale gold/green orchard with the ability to convert over time.

Other

- » Tier 1 land with high quality, free draining soils.
- » Semi- to fully-developed orchards (at least 70% of the orchard fully bearing)

FINANCIAL ANALYSIS

Investment Opportunity	30 canopy ha SunGold
Investment Size	NZD 45m
Average Return on Assets	+10% p.a. over 10 years
EBITDA margin	+60% p.a.
10 year Internal Rate of Return	+10% p.a.



OPPORTUNITY

**ESTABLISHED DAIRY PORTFOLIO INVESTMENT
(NORTHERN SOUTHLAND)**

DAIRY PORTFOLIO (NORTHERN SOUTHLAND)

Large-scale dairy farming portfolio delivering a forecasted 9.5% p.a. IRR over 10 years .

OPPORTUNITY

On offer is an equity stake into an established large scale dairy farming portfolio predominately in Northern Southland, New Zealand. Capital is being raised to give liquidity to existing shareholders and grow the business through retained profits and appreciation. The current asset base exceeds NZD130m with a long-term goal of reaching NZD 300m over the next 9 years.

The investment gives shareholder access to farm-on economics while providing shareholder flexibility with the opportunity to increase shareholding over time, as well as an annual shareholder liquidity mechanism.

This investment will offer total operating control inside the farm gate, being largely self-contained. Has a strong balance sheet with proven financial results and returning consistent return on assets exceeding 9%p.a. over the last 3 years.

HISTORY OF INVESTMENT

The portfolio was established in 2014 through the amalgamation of an existing multi-farm dairy business with two further dairy investment portfolios. This provided the synergy of scale, location, and with the broader shareholder base, importantly enabled the establishment of an investor liquidity mechanism through a period of continual asset growth.

The business now comprises eight pasture-based dairy farms and two dairy support blocks. The portfolio was built on the philosophy of creating an environmentally sustainable dairy business through maximizing profit from grass fed milk production. Shareholding in the portfolio has been very consistent with the original shareholders still part of the business today and other shareholders investing for at least 15 years.

FINANCIAL ANALYSIS

Investment Offer	NZD 20m (min of NZD 2m)
Investment Opportunity	3,347 ha
Dividend payout	10%
Debt to Asset ratio	40%
EBITDA margin	+20% p.a.
Average Forecasted Return on Assets	+9% p.a. over 10 years
10 year Internal Rate of Return	+9% p.a.



INVESTMENT OVERVIEW BY INDUSTRY SECTOR



NZSF Rural Land Ltd – Oast-House Hops Upper Motueka, Nelson District. On the floor are piles of hop cones. Hops are dried in a kiln allowing them to be stored and the kiln runs through the night during harvest.



INVESTMENT OVERVIEW

DAIRY

New Zealand dairy farming has one of the lowest costs of production, and an established international reputation for quality and innovation.

OVERVIEW

- NZ enjoys one of the lowest costs of production of any major milk producing region globally. A good natural environment, temperate climate, good soils and plentiful water, combine to provide optimal conditions for pasture growth
- Larger herds with higher stocking rates per hectare under a pasture-based system generate higher profits per hectare – 45% variance in profit in larger herds in Canterbury
- Grass-fed dairy products are recognised as premium, which aligns with changing customer preferences
- Good access to emerging consumer markets

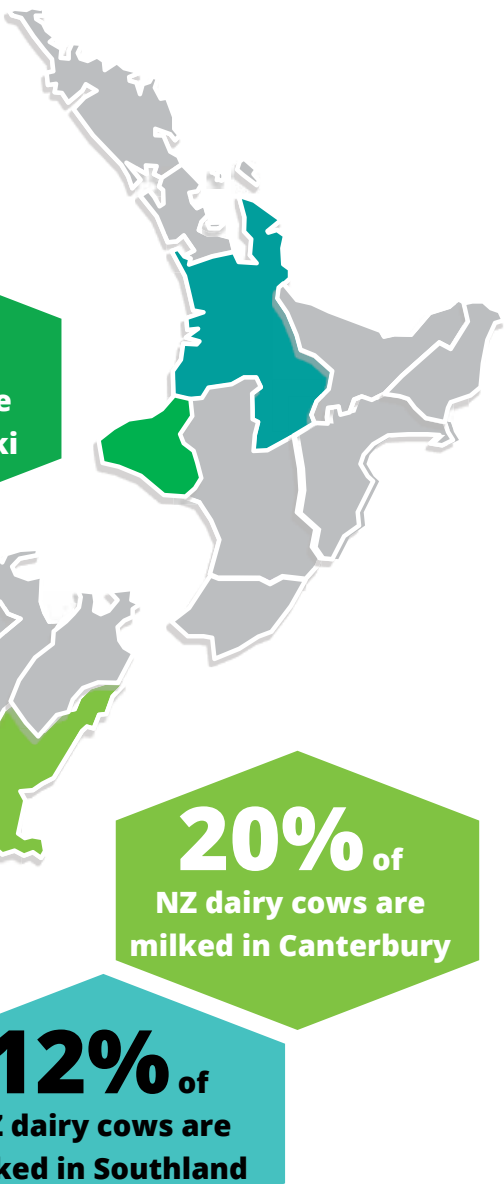




22% of NZ dairy cows are milked in the Waikato



10% of NZ dairy cows are milked in Taranaki

20% of NZ dairy cows are milked in Canterbury

12% of NZ dairy cows are milked in Southland



WAIKATO	
 HERD AND COWS	
Total number of herds	3,184
Average herd size	347
Number of cows (milking)	1.1 Million
 PROFIT AND DAIRY LAND	
Kilogram of milk-solids per full time equivalent employee	59,853
Profit/Ha - FY22	\$3101
Average farm size	119ha
Average cows per ha	2.92

CANTERBURY	
 HERD AND COWS	
Total number of herds	1,201
Average herd size	804
Number of cows (milking)	971,486
 PROFIT AND DAIRY LAND	
Kilogram of milk-solids per full time equivalent employee	79,535
Profit/Ha - FY22	\$4761
Average farm size	233ha
Average cows per ha	3.45



INVESTMENT OVERVIEW DAIRY

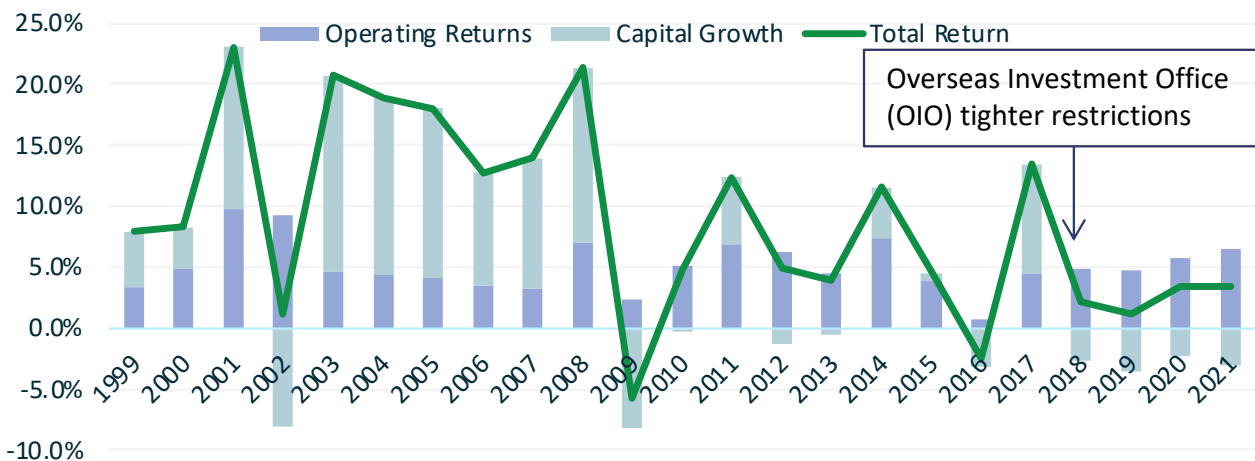
A significant number of large-scale farming enterprises are expected to provide attractive acquisition opportunities.

CURRENT DYNAMICS

- Recent step change in milk price, combined with higher on farm costs
- Last 5 years have seen national herd numbers remain relatively flat
- Farmers are continuing to place more focus on productivity and efficiency
- Ageing demographic of farm owner operators (late 50s sheep & beef and late 40s dairy farmers)
- Liquidity increasingly required for long-term farming partnerships
- Increased benefits of scale (too big for families)
- Annual total return on dairy assets has averaged +6.7% since 1999 (+4.3% operating return +2.4% capital return)
- Dairy land values have increased at a compound annual growth rate of 7.6% since 1999



DAIRY INVESTMENT RETURNS: AVG. +7% P.A. SINCE 1999



Source: DairyNZ

INVESTMENT FEATURES

- ✓ Progressive industry commitment to sustainability
- ✓ Minimum scale (800 cows, \$10 million)
- ✓ Low exposure to imported feed (10-20%), will graze off and feed supplement to support and extend lactation
- ✓ Good technology and infrastructure
- ✓ Attractive for staff (e.g. close to towns, facilities, rosters, good employment conditions, H&S approach, etc.)
- ✓ Steady cashflows and long-term capital gains



INVESTMENT OVERVIEW

APPLES

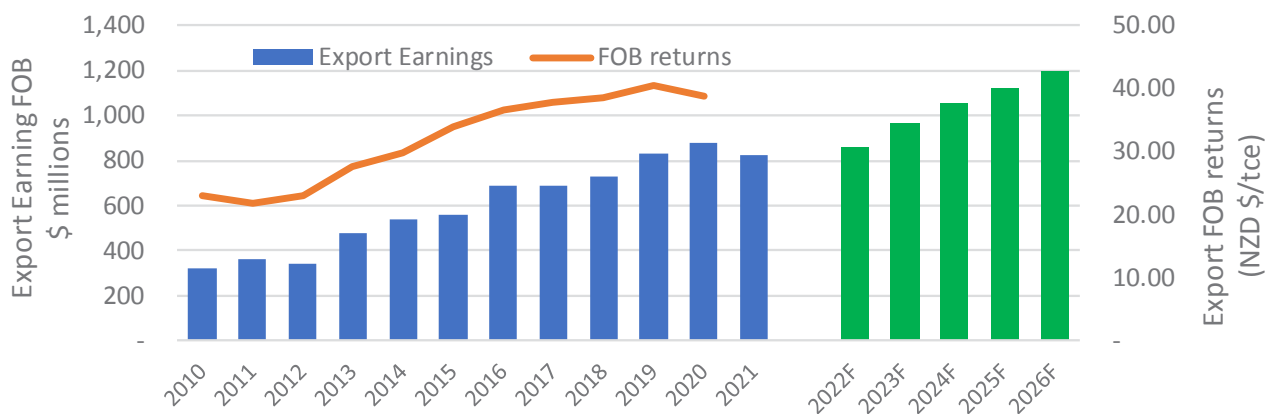
Apple exports have more than doubled in value over the last decade, with export volume reaching \$825 million in 2021.

OVERVIEW

- Apples are New Zealand's 2nd largest fresh fruit export, with approximately 356 million tonnes exported to 66 countries
- New Zealand has the highest apple production in the world at 61 tonnes/hectare vs. international average at 23.4 tonnes/hectare
- The industry's focus on research and development of new varieties has meant that 6 of the top 10 export varieties were bred in NZ. Varieties bred for NZ growing conditions usually produce more fruit
- 86% of New Zealand's apples and pears are grown in the Hawke's Bay, with more than 50% of orchards planted in varieties with IP protection. New trademarked varieties deliver price premiums to growers – Royal Gala, Envy, Braeburn, Fuji and Crisp Pink
- 65% of production for export markets, 13% domestically consumed and remainder processed
- Clear market shift over the last 5 years towards Asian countries (59% exports) and less to Continental Europe (30% exports)
- Apples delivered 8.8% export earnings and 5.8% FOB returns CAGR between 2010 and 2021
- Export earnings expected to grow at 8.6% CAGR to 2026



APPLE EXPORT EARNINGS: 8.8% CAGR 2010-2021



Source: New Zealand Horticulture and Forecast by MPI

INVESTMENT FEATURES

- ✓ NZ can supply the Northern Hemisphere during their off-peak season and store excess production in cool storage
- ✓ Investing in club varieties
- ✓ Low carbon and nitrogen loss per hectare
- ✓ Estimated forecast total return on investment above 15% p.a.



INVESTMENT OVERVIEW

VITICULTURE

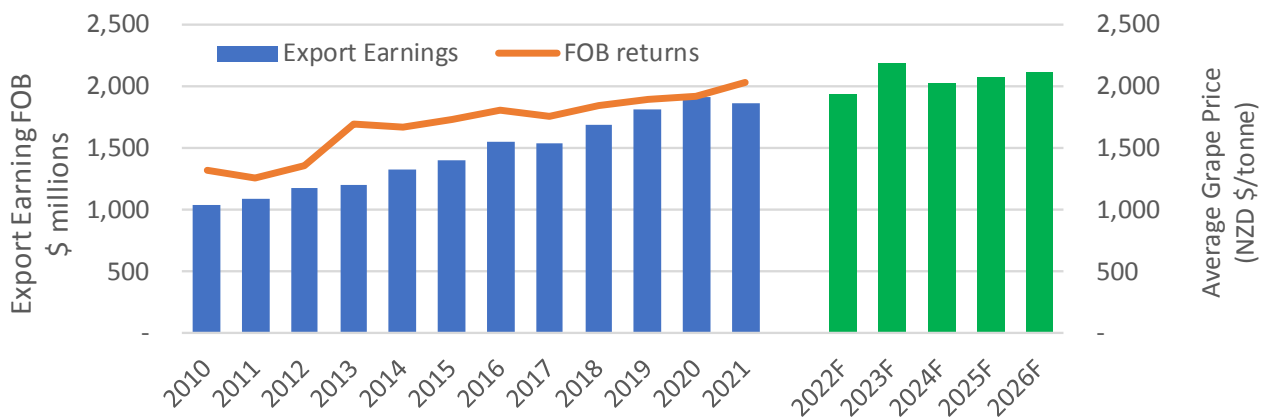
Scarcity of land for New Zealand's largest wine export and greatest commercial success, Marlborough Sauvignon Blanc.

OVERVIEW

- New Zealand's recognised position as a producer of premium wine, combined with projected ongoing increases in demand from export markets, bodes well for financial yield and value growth. This is especially promising, given limited availability of land suitable for new vineyards
- Grapes are New Zealand's leading processed fruit product
- 2,101 vineyards in New Zealand with an average area of 20 hectares
- 57% of total vineyard production area is for Marlborough Sauvignon Blanc
- Top 5 wine export destinations account for 92% of total export revenue (USA 35%, UK 22%, Australia 19%)
- Over the past two years, strong exports to the US and Canada have offset declines in Australia, UK and Europe
- Total export value of \$1.95 billion, an increase of 3% over 2021
- New Zealand wine delivered 5.4% export earnings and 4.0% FOB returns CAGR between 2010 and 2021
- Export earnings expected to grow at 2.1% CAGR to 2026



WINE EXPORT EARNINGS: 8.8% CAGR 2010-2021



Source: NZ Wine and Forecasts by MPI

INVESTMENT FEATURES

- ✓ Low carbon and nitrogen loss per hectare
- ✓ Sauvignon Blanc has good capital appreciation
- ✓ Estimated forecast total return on investment above 10% p.a.



INVESTMENT OVERVIEW KIWIFRUIT

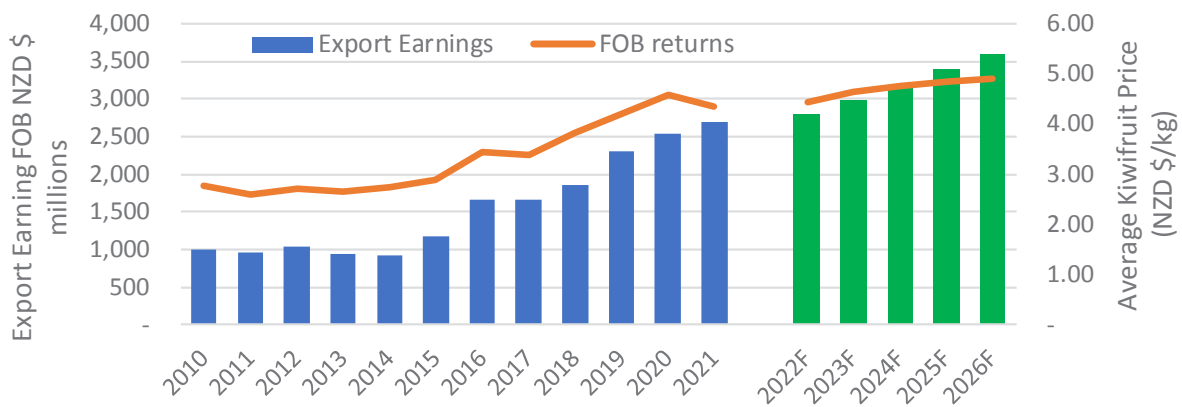
New Zealand's highest value horticultural export with further growth expected.

OVERVIEW

- Kiwifruit is New Zealand's largest horticultural export (42%). Exports totalled \$2.61 billion in 2021
- New Zealand benefits from favourable geographic positioning to key Asian markets (61% NZ exports) and a supply window (April to October) that has low northern hemisphere overlap
- 80% of kiwifruit are grown in Bay of Plenty region. 49% of those come from small orchards (2-5 hectares), with 25% coming from very small orchards (<2hectares)
- While green kiwifruit continue to be in high demand, growers are increasingly planting gold, and now red kiwifruit, to capture greater export value in markets like China and Japan
- In the last 10 years industry growth has been substantial, driven by both volume and price increases. Grower OGR returns have more than doubled in that time
- Substantial markets for future growth include the U.S., Vietnam, Canada and India
- Kiwifruit delivered 9.5% export earnings and 4.2% FOB returns CAGR between 2010 and 2021
- Export earnings expected to grow at 6.4% CAGR to 2026



KIWIFRUIT EXPORT EARNINGS



Source: Ministry of Primary Industries

INVESTMENT FEATURES

- ✓ Low environmental impact
- ✓ Relatively small land footprint
- ✓ High production levels compared to international producers and exporters
- ✓ New Zealand is a global leader in the development of new IP-controlled varieties (SunGold and RubyRed)
- ✓ Limited land availability in key growing areas



FarmRight
Investing Sustainably

www.farmright.co.nz