

GREENFERN INDUSTRIES LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022

GREENFERN INDUSTRIES LIMITED
INTERIM CONSOLIDATED REPORT CONTENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Page
Directors report	3 - 4
Financial Statements	
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 27
Corporate Information	28

GREENFERN INDUSTRIES LIMITED

DIRECTORS REPORT

The Directors are pleased to present a solid result for the six months ended 30 September 2022.

Financial Results Summary

Greenfern Industries limited (“GFI”) achieved revenue growth during the six-month period, which was 789% higher than the prior 6-month period ended 30 September 2021. This is due to the fact that the company has begun to generate income from the sale of GFI Pharma medicine products in Australia, where sales have been observed to climb continuously month on month.

GFI reports a net loss attributable to shareholders of \$0.85 million for this period. This compares with a net loss attributable to shareholders of \$0.82 million for the previous period. The majority of expenses identified as employee salaries, director fees, and R&D expenses. The Company is in the start-up stage and is expanding, and the losses are in line with forecast performance for this phase. No dividends have been declared or paid for the six months ended 30 September 2022.

The net assets as at 30 September 2022 were NZ\$2.63 million, cash and cash equivalents were NZ\$0.31 million, and the property, plant and equipment were NZ\$1.99 million.

The result was in line with the board’s expectations. The company has recently raised capital to support its expansion with a wholesale offer and a rights offer. Together these have raised approximately \$1.47 million and the company will need to continue to raise capital to complete establishing its business.

Principal activities

GFI is an entrepreneurial led licensed medicinal cannabis, research and biotechnology company with operations in medicinal cannabis sector and, the industrial hemp and hemp food space. The Company has successfully moved into the patient acquisition and prescriber space in Australia. The project of writing clinical trial protocols in pursuit of the over the counter, low dose Cannibidiol (CBD) registered medicines in Australia through the Therapeutic Goods Association has entered the final stage.

The company owns and runs a hydropower station, which generates renewable hydro power while consent conditions allow, for the Company’s onsite cannabis cultivation facility. This enables significant cost benefits that provide a meaningful margin advantage relative to GFI’s peer group. Excess power is sold back to the national grid for additional revenue. The Company plans to update the generation facilities to increase its power generation capacity.

Strong partnerships are being formed in all areas of the business and the FY2023 will see continued focus and growth on both the medicinal cannabis, research and development.

Timeline of achievements in FY2023 to date

- Jun 2022 – GFI receives globally-recognised GACP (Good Agriculture and Collection Practice) certification
- Jun 2022 – Binding offtake agreement secured for overseas supply of GFI medicinal cannabis flower
- Aug 2022 – GFI have entered non-binding term sheet to acquire a licence to distribute Syndros, one of only Four Food and Drug Administration (FDA) approved cannabinoid medicines
- Sep 2022 – GFI, Hemp Connect and Callaghan Innovation jointly awarded a further Bioresource Processing Alliance (BPA) grant
- Sep 2022 – GFI has been awarded a License to Export Controlled Drugs by Medsafe
- Oct 2022 – GFI medicinal cannabis flower achieves NZ minimum quality standards testing requirements

GREENFERN INDUSTRIES LIMITED

DIRECTORS REPORT (continued)

Review of operations and outlook

1. Cannabis therapeutics and Biotechnology

The operations of this segment reflect manufacturing and distribution of medicinal cannabis products.

1.1. GMP medicine prescriptions

GFI's successful move into the patient acquisition and prescriber space in Australia through partner Cannvalate has yielded strong growth (38% new patient growth MoM, 30% returning). The revenue is increasing at 32% month on month which aligns with strong medicinal cannabis patient uptake and demand in Australia.

GFI sees the larger and more advanced Australian market to be a key growth driver and is working towards securing further licensing agreements for Australia.

1.2. Clinical trial pathway

The writing of clinical trial protocols to pursue Over the Counter (OTC) low-dose CBD registered medicines in Australia through the Therapeutic Goods Administration (TGA) Are nearly complete. GFI have entered a non-binding term sheet to investigate securing licensing rights for a product manufactured by a market leading American based manufacturer of small molecule active pharmaceutical ingredients. GFI is increasing their presence in the biotechnology and clinical research space, aided by a new partnership linking GFI with a world class pharmaceutical cannabinoid manufacturer.

This market is estimated to be worth up to \$250 million at market maturity and could capture up to 2 million consumers. GFI will look to boost its revenue streams by development of Investigational Medicinal Products (IMP).

1.3. Medicinal cannabis cultivation

GFI renewed its commercial cannabis licence in December 2021 and continues with its research and development in its stage one pilot facility. GFI has entered into a binding offtake agreement for medicinal cannabis distribution for one of its current in house cultivars. GFI will continue to research and stabilise desired genetics for the overseas market. GFI has raised funds to commence construction of the stage 2 facility, and will undertake further fund raising to continue expansion as demand and orders require.

2. Electricity generation

This segment includes the generation of electricity.

Revenue from electricity generation has been lower than forecast for the half year, mainly due to lower than anticipated spot electricity prices. GFI will look at alternative pricing options going forward, such as fixed price contracts. This should enable GFI to reduce volatility in this revenue stream.

GFI has entered into an exclusive Heads of Agreement with Rotorua-based Vortex Group to upgrade the renewable energy hydropower generation plant at Normanby. Completion of a final contract for this upgrade has taken longer than anticipated, mostly due to factors outside the parties' control. It is now expected to be finalised by end of Q1 2023, with completion of the upgrade work that was originally scheduled for summer 22/23 now taking place in summer 23/24. When completed, the upgrade is expected to increase the power generation capacity from 250Kw to approximately 850Kw. This will continue to provide the onsite cannabis cultivation facility with significant cost benefits.

In summary, we continue to seek growth opportunities for GFI and expect the remainder of the financial year to maintain the same trajectory of similar profit and continued growth.

On behalf of the Board of Directors

GREENFERN INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

		Unaudited 6 Months September 2022	Unaudited 6 Months September 2021
	Notes	NZ\$	NZ\$
Operating Revenue	2	395,505	44,475
Cost of Sales	3	<u>(180,115)</u>	<u>(31,077)</u>
Gross profit		215,390	13,398
Other Income		-	5,307
Expenses			
Selling and Distribution Expenses	3	(20,880)	(25,084)
Administration Expenses	3	<u>(1,034,993)</u>	<u>(809,160)</u>
		(1,055,873)	(834,244)
Operating loss		(840,483)	(815,539)
Finance Expense		<u>(13,559)</u>	<u>(159)</u>
		(13,559)	(159)
Loss before income tax		(854,042)	(815,698)
Loss for the year		<u>(854,042)</u>	<u>(815,698)</u>
Total comprehensive loss for the year		<u>(854,042)</u>	<u>(815,698)</u>
Loss and total comprehensive loss attributable to:			
Equity holders of the parent		<u>(854,042)</u>	<u>(815,698)</u>
		<u>(854,042)</u>	<u>(815,698)</u>
Loss per share:			
Basic and Diluted Earning per share in NZ\$	5	(0.01000)	(0.08703)

The interim financial statements are to be read in conjunction with the notes to the financial statements set out on pages 9 to 27.

GREENFERN INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Unaudited At 30 September 2022 NZ\$	Audited At 31 March 2022 NZ\$
	Notes		
SHAREHOLDERS EQUITY			
Issued share capital	6	8,505,967	8,588,273
Accumulated losses		(5,878,218)	(5,024,177)
Total Equity attributable to shareholders of the company		2,627,749	3,564,096
Non-controlling Interest			
Total shareholders funds		2,627,749	3,564,096
<i>Represented by:</i>			
CURRENT ASSETS			
Cash and cash equivalents	7	307,982	849,361
Trade, other and related party receivables	8	51,023	38,914
Bartercard	11	56,586	100,000
Prepayments and other current assets	9	760,251	663,815
Total current assets		1,175,842	1,652,090
NON-CURRENT ASSETS			
Prepayments and other non-current assets	9	2,500	2,500
Other financial assets	13	154,065	161,117
Bartercard	11	93,619	93,619
Property, plant and equipment	10	1,991,176	1,999,238
Intangible assets and goodwill	12	11,141	11,727
Total non-current assets		2,252,501	2,268,201
Total assets		3,428,343	3,920,291
CURRENT LIABILITIES			
Trade, other and related party payables	14	200,594	356,195
Loan	15	600,000	-
Total current liabilities		800,594	356,195
NON-CURRENT LIABILITIES			
Other liability	15	-	-
Total non-current liabilities		-	-
Total liabilities		800,594	356,195
Net assets		2,627,749	3,564,096

The interim financial statements are to be read in conjunction with the notes to the financial statements set out on pages 9 to 27.

GREENFERN INDUSTRIES LIMITED
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Issued Share Capital	Accumulated Loss	Equity Holders	Non- Controlling Interests	Total
	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Balance as at 1 April 2021	5,363,473	(3,011,937)	2,351,536	-	2,351,536
Comprehensive income					
Net loss for the financial year	-	(815,698)	(815,698)	-	(815,698)
Total comprehensive income	-	(815,698)	(815,698)	-	(815,698)
Transactions with owners					
Contributions of equity net of transaction costs	2,421,500	-	2,421,500	-	2,421,500
Total transactions with owners	2,421,500	-	2,421,500	-	2,421,500
Balance as at 30 September 2021 (unaudited)	7,784,973	(3,827,634)	3,957,339	-	3,957,339
Balance as at 1 April 2021	5,363,473	(3,011,937)	2,351,536	-	2,351,536
Comprehensive income					
Net loss for the financial year	-	(2,012,240)	(2,012,240)	-	(2,012,240)
Total comprehensive income	-	(2,012,240)	(2,012,240)	-	(2,012,240)
Transactions with owners					
Contributions of equity net of transaction costs	3,224,800	-	3,224,800	-	3,224,800
Total transactions with owners	3,224,800	-	3,224,800	-	3,224,800
Balance as at 31 March 2022(audited)	8,588,273	(5,024,177)	3,564,096	-	3,564,096
Comprehensive income					
Net loss for the financial period	-	(854,042)	(854,042)	-	(854,042)
Total comprehensive income/(loss)	-	(854,042)	(854,042)	-	(854,042)
Transactions with owners					
Contributions of equity net of transaction costs	(82,306)	-	(82,306)	-	(82,306)
Total transactions with owners	(82,306)	-	(82,306)	-	(82,306)
Balance as at 30 September 2022	8,505,967	(5,878,218)	2,627,749	-	2,627,749

The interim financial statements are to be read in conjunction with the notes to the financial statements set out on pages 9 to 27.

GREENFERN INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Unaudited 6 Months September 2022	Unaudited 6 Months September 2021
Notes	NZ\$	NZ\$
Cash flows from operating activities		
<i>Cash was received from:</i>		
Receipts from customers	41,971	307,349
Cash receipts from related parties - trade receivables	341,426	-
Other income received	-	5,307
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(601,797)	(697,946)
Payments to related parties	(739,222)	(174,608)
Interest paid	(13,559)	(159)
Net cash outflow from operating activities	(971,180)	(560,058)
Cash flows from investing activities		
<i>Cash was received from:</i>		
Proceed from disposal of property, plant and equipment	7,000	-
Proceeds from sale of financial assets	5,406	-
<i>Cash was applied to:</i>		
Purchase of property, plant and equipment	(96,471)	(198,322)
Purchase of intangible assets	-	(3,000)
Purchase of financial assets	-	(50,000)
Net cash inflow/(outflow) from investing activities	(84,065)	(251,322)
Cash flows from financing activities		
<i>Cash was received from:</i>		
Proceeds from share issue	(82,306)	1,788,000
Proceed from borrowings	600,000	-
Net cash inflow from financing activities	517,694	1,788,000
Net decrease in cash and cash equivalents	(537,551)	976,620
Foreign currency translation adjustment	(3,828)	(5,065)
Cash and cash equivalents at the beginning of the year	849,361	1,297,054
Cash and cash equivalents at the end of the year	307,982	2,268,609

The interim financial statements are to be read in conjunction with the notes to the financial statements set out on pages 9 to 27.

GREENFERN INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. ACCOUNTING POLICIES

REPORTING ENTITY

Greenfern Industries Limited (the "Company") is a Company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed and its ordinary shares are quoted on the NZX main board equity security market (NZX main market) and the addresses of its registered office and principal place of business are disclosed in the Corporate Information section of this report. The Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and its financial statements comply with the Companies Act 1993 and the Financial Markets Conduct Act 2013.

The consolidated financial statements of Greenfern Industries Limited for the six months ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the "Company"). For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Company is a for-profit entity. As a listed Company, the Company is considered a Tier One entity. The principal activity of the Company is a producer and wholesaler of therapeutic products.

1.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with NZ GAAP. These consolidated financial statements comply with New Zealand Equivalents to International Financial reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

The consolidated financial statements were approved and authorised for issue by the directors on 21 November 2022. The directors are not able to amend the financial statements after issue.

1.2 Basis of preparation

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

These unaudited consolidated condensed interim financial statements ('interim financial statements') have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with the requirements of International Accounting Standard (IAS) 34 Interim Financial Reporting and with New Zealand Equivalent to International Accounting Standard (NZ IAS) 34 Interim Financial Reporting and the NZX Main Board Listing Rules. The Company is designated as a for-profit entity for financial reporting purposes.

The interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these interim financial statements should be read in conjunction with the audited consolidated financial statements for the period ended 31 March 2022 and any public announcements made by Greenfern Industries Limited during the interim reporting period and up to the date of these interim financial statements.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. ACCOUNTING POLICIES(continued)

These interim financial statements are presented in New Zealand dollars, which is the Company's functional currency and the Company's presentation currency.

The interim financial statements are in respect of the six months period 31 March 2022 to 30 September 2022. The comparative period is in respect of the six months period 1 April 2021 to 30 September 2021. The year-end balance date will be 31 March 2023 and full financial statements will cover the 12 months period 1 April 2022 to 31 March 2023.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the interim financial statements. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. If outcomes within the next financial period are significantly different from assumptions, this could result in adjustments to carrying amounts of the asset or liability affected. The same judgements, estimates and assumptions included in the notes to the financial statements for the full year period ended 31 March 2022 have been applied to these consolidated condensed interim financial statements.

1.3 Accounting Policies

The interim financial statements of the Company for the six months period ended 30 September 2022 have been prepared using the same accounting policies and methods of computations as, and should be read in conjunction with, the financial statements and related notes included in the Company's Annual Report for the full year period ended 31 March 2022.

2. REVENUE

	September 2022 NZ\$	September 2021 NZ\$
	Note	
Operating revenue		
Sales - Hemp Meal	12,980	8,912
Sales - MaTo	5,340	315
Sales - Medicinal Hemp	348,268	-
Sales of Electricity	28,673	35,248
Other Income	244	-
Total operating revenue	395,505	44,475
Other Income	-	5,307
Total other income	-	5,307
Total Income	395,505	49,782

Performance Obligations and Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

2. REVENUE(continued)

Operating revenue - Geographical locations

Operating revenue is attributed to the following geographical locations on the basis of the country the customer is trading in.

	Sales of Goods	Sales of Electricity	Total
	NZ\$	NZ\$	NZ\$
30 September 2022			
Australia	348,268	-	348,268
New Zealand	18,564	28,673	47,237
Operating Revenue	<u>366,832</u>	<u>28,673</u>	<u>395,505</u>
30 September 2021			
Australia	-	-	-
New Zealand	9,227	35,248	44,475
Operating Revenue	<u>9,227</u>	<u>35,248</u>	<u>44,475</u>

3. EXPENSES

	Note	September 2022 NZ\$	September 2021 NZ\$
Profit / (Loss) before income tax has been Included in Cost of Sales Expenses			
Direct purchase cost of goods sold		178,160	27,725
Overhead allocated		1,955	3,352
Total Cost of Sales		<u>180,115</u>	<u>31,077</u>
Included in Selling and Distribution Expenses			
Marketing & Advertising		17,698	13,936
Other expense		3,182	11,148
Total Selling and Distribution Expenses		<u>20,880</u>	<u>25,084</u>
Included in Administration Expenses			
Salaries		254,230	161,867
R&D expenses		175,137	-
Directors Fees		116,250	-
Strategic Advisory		70,900	79,300
Depreciation and Armotisation	10, 12	58,289	56,097
Repairs and Maintenance		46,371	21,620
Gain/loss on fixed asset disposal		39,830	-
Share Register Expense		37,368	-
Low Value Assets		21,689	27,567
Legal expenses		21,232	27,396
Licence Fees		15,126	7,608
Financial Advisory		15,000	13,500
Rent	22	14,603	15,817
Project Management Fees		10,000	88,696
Other expenses		138,967	309,691
Total Administration Expenses		<u>1,034,993</u>	<u>809,160</u>
Finance costs:			
Interest paid on use of money		13,559	159
		<u>13,559</u>	<u>159</u>

The majority of interest came from a loan of \$600,000 increased during this period (note 15).

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

4. INCOME TAX EXPENSE

The Company recognised no income tax expense during this period due to operating loss. The Company has an income tax rate of 28% which is the tax rate that would be applicable to the expected total annual earnings (September 2021: 28%).

The Company has an unused tax losses of \$1,180,117 bought forward from 31 March 2022. Losses can be carried forward indefinitely under New Zealand tax law (assuming shareholder continuity requirements are met and approval of the Inland Revenue Department is obtained).

The Company has not recognised a deferred tax asset on its Statement of Financial Position as at reporting date. In deciding whether to recognise the deferred tax assets, the Company has determined if the utilisation of deferred assets is probable and whether it is likely that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted.

5. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	September 2022 NZ\$	September 2021 NZ\$
Basic earnings per share		
Profit/ (Loss) after taxation attributable to equity holders of the parent	(854,042)	(815,698)
Weighted average number of ordinary shares on issue	85,399,214	9,372,448
Basic and Diluted Earning per share in NZ\$	(0.01000058)	(0.08703152)

The Company is listed and its ordinary shares are quoted on the NZX main board equity security market (NZX main market) at 21 October 2021. There have been other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements(as disclosed in note 23).

6. AUTHORISED AND ISSUED SHARE CAPITAL

Ordinary shares	Shares Issued	
Balance as at 31 March 2022	No.	\$
Ordinary shares		
Balance at 1 April 2021		
Ordinary shares on issue	8,870,598	5,363,473
Ordinary shares on issue at 1 April 2020 excluding treasury shares	8,870,598	5,363,473
Movement for 2022 financial year		
Ordinary shares authorised and issued	76,089,786	3,224,800
Ordinary shares on issue at 31 March 2022	84,960,384	8,588,273
Ordinary shares	Shares	Company
Balance as at 31 March 2022	Issued	NZ\$
	No.	
Balance at 1 April 2022	84,960,384	8,588,273
Movement for 2023 financial year		
Ordinary shares authorised and issued	877,659	(82,306)
Ordinary shares on issue at 30 September 2022	85,838,043	8,505,967
Ordinary shares on issue at 30 September 2022 excluding treasury shares	85,838,043	8,505,967

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

6. AUTHORISED AND ISSUED SHARE CAPITAL(continued)

877,659 Ordinary Shares were issued in April 2022 under GFI's agreement with Cannvalate to satisfy in advance a first milestone of 1000 new patients.

All ordinary shares rank equally with one vote attached to each fully paid ordinary share and have equal dividend rights and no par value. No dividends have been declared or paid for the six months ended 30 September 2022 (2021: \$nil).

At reporting date, the Company held no treasury shares.

7. CASH AND CASH EQUIVALENTS

	September 2022 \$	March 2022 \$
Cash at bank and on hand	307,982	849,361
Total cash and cash equivalents	307,982	849,361

The carrying amount of cash and cash equivalents approximates their fair value.

8. TRADE, OTHER AND RELATED PARTY RECEIVABLES

	September 2022 NZ\$	March 2022 NZ\$
Trade receivables - third parties	2,208	10,165
Trade receivables - related parties	48,815	28,749
Total trade and related party receivables	51,023	38,914
Analysis of trade and related party receivables		
Current	47,744	27,882
Past due 0-30	2,796	3,220
Past due 31-90	-	3,443
Past due more than 90	483	4,369
	51,023	38,914

Trade debtors are non-interest bearing and receipt is normally on 30 days terms. Related party receivables are non-interest bearing and repayable on demand as disclosed in note 14.

The directors consider that there is no material difference between the carrying value and fair value of trade debtors and related party receivables. The Company's management considers that all financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. The directors also consider that the receivables that are past due and not impaired are fully recoverable.

The Company applies both a specific loss component and a collective loss component in determining the allowance for impairment. The specific loss component considers and relates to individually significant exposures and the collective loss component is based on expected losses that are established for Companies of similar assets. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The Company also considers other forward looking economic factors in determining the impairment of trade, other and related party receivables. No impairment allowance has been recognised for the six months ended 30 September 2022 (2021: \$nil).

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	Note	September 2022 NZ\$	March 2022 NZ\$
Current Prepayments			
Advances to related party		398,024	346,912
Prepayments to other suppliers		253,355	156,345
GST receivable		108,872	160,558
Total current prepayments		<u>760,251</u>	<u>663,815</u>
Non-current Prepayments			
Prepayment to other suppliers		<u>2,500</u>	<u>2,500</u>
Total non-current prepayments		<u>2,500</u>	<u>2,500</u>

GREENFERN INDUSTRIES LIMITED
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

10. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment NZ\$	Facility Otago NZ\$	Power Station NZ\$	Facility Taranaki NZ\$	Assets under construction - work in progress NZ\$	Total NZ\$
As at 31 March 2022						
Cost						
Cost as at 1 April 2021	35,660	48,377	810,021	758,462	-	1,652,520
Transfers from work in progress	-	-	-	-	-	-
Transfers to property, plant and equipment	-	-	-	-	-	-
Additions	6,522	2,218	87,310	137,925	254,659	488,634
Cost as at 31 March 2022	42,182	50,595	897,331	896,387	254,659	2,141,154
Accumulated Depreciation						
Accumulated Depreciation at 1 April 2021	(8,561)	(874)	-	(26,536)	-	(35,971)
Depreciation charge for the year	(9,805)	(4,537)	(24,827)	(66,776)	-	(105,945)
Accumulated Depreciation at 31 March 2022	(18,366)	(5,411)	(24,827)	(93,312)	-	(141,916)
Carrying Amount						
Cost	42,182	50,595	897,331	896,387	254,659	2,141,154
Accumulated Depreciation	(18,366)	(5,411)	(24,827)	(93,312)	-	(141,916)
Carrying Amount 31 March 2022	23,816	45,184	872,504	803,075	254,659	1,999,238
As at 30 September 2022						
Cost						
Cost as at 1 April 2022	42,182	50,595	897,331	896,387	254,659	2,141,154
Transfers from work in progress	-	-	-	-	-	-
Transfers to property, plant and equipment	-	-	-	-	-	-
Disposals	-	(50,595)	-	-	-	(50,595)
Additions	4,000	-	-	68,858	21,966	94,825
Cost as at 30 September 2022	46,182	-	897,331	965,245	276,625	2,185,384
Accumulated Depreciation						
Accumulated Depreciation at 1 April 2022	(18,366)	(5,411)	(24,827)	(93,312)	-	(141,916)
Depreciation of Disposals	-	5,411	-	-	-	5,411
Depreciation charge for the period	(3,828)	-	(15,148)	(38,727)	-	(57,702)
Accumulated Depreciation at 30 September 2022	(22,194)	-	(39,975)	(132,039)	-	(194,207)
Carrying Amount						
Cost	46,182	-	897,331	965,245	276,625	2,185,383
Accumulated Depreciation	(22,194)	-	(39,975)	(132,039)	-	(194,207)
Carrying Amount 30 September 2022	23,989	-	857,356	833,207	276,625	1,991,176

The assets under improvement consisted of work in progress assets for the Taranaki facility \$159,795 and power station \$116,830. Facility Otago were disposed during the period.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

11. BARTERCARD

	September 2022 NZ\$	March 2022 NZ\$
Bartercard balance:		
Current	56,586	100,000
Non- current	93,619	93,619
	150,205	193,619

Bartercard trade dollars comprise the balance of Bartercard Trade Dollars on hand at period end net of accumulated impairment losses. Trade dollars are not transferable for cash by Bartercard or any other financial institution.

Bartercard trade dollars was equivalent to the carrying value of the assets. Carrying value was determined based on the fact that all market participants (being other Bartercard members) accept the terms and conditions of Bartercard which stipulate that a Bartercard Trade Dollar is equivalent to a New Zealand dollar at the date of exchange in respect of future purchases or goods and services.

12. INTANGIBLE ASSETS

	Graphic design NZ\$	Trademarks NZ\$	Total NZ\$
Year ended 31 March 2022			
Cost			
Cost as at 1 April 2021	662	2,650	3,312
Additions	9,500	-	9,500
Cost as at 31 March 2022	10,162	2,650	12,812
Accumulated Amortisation			
Accumulated amortisation 1 April 2021	(35)	(400)	(435)
Amortisation for the year	(425)	(225)	(650)
Accumulated amortisation and impairment as at 31 March 2022	(460)	(625)	(1,085)
Carrying Amount			
Cost	10,162	2,650	12,812
Accumulated amortisation and impairment	(460)	(625)	(1,085)
Carrying Amount 31 March 2022	9,702	2,025	11,727
Year ended 31 March 2022			
Cost			
Cost as at 1 April 2022	10,162	2,650	12,812
Additions	-	-	-
Cost as at 31 March 2022	10,162	2,650	12,812
Accumulated Amortisation			
Accumulated amortisation 1 April 2022	(460)	(625)	(1,085)
Amortisation for the period	(485)	(101)	(586)
Accumulated amortisation and impairment as at 30 September 2022	(945)	(726)	(1,671)

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

12. INTANGIBLE ASSETS (continued)

	Graphic design NZ\$	Trademarks NZ\$	Total NZ\$
<i>Carrying Amount</i>			
Cost	10,162	2,650	12,812
Accumulated amortisation	(945)	(726)	(1,671)
Carrying Amount 31 March 2022	9,217	1,924	11,141

13. OTHER FINANCIAL ASSETS

	September 2022 NZ\$	March 2022 NZ\$
Non-current assets		
<u>Financial assets at fair value through profit and loss</u>		
<u>Shares in listed companies</u>		
RUA Bioscience Limited	-	7,052
	-	7,052
<u>Shares in unlisted companies</u>		
Sustainable Foods Limited	153,865	153,865
	153,865	153,865
Total financial assets at fair value through profit and loss	153,865	160,917
<u>Financial assets measured at amortised cost</u>		
<u>Shares in unlisted companies</u>		
Hempseed Holdings Limited	200	200
	200	200
Total financial assets measured at amortised cost	200	200
Total other financial assets	154,065	161,117

Shares - RUA Bioscience Limited

The 17,630 of ordinary shares in RUA Bioscience Limited were sold on the NZX equity security market, and a loss of \$1,645.73 was recognised during the period.

Fair value movement in profit and loss

During the six months ended 30 September 2022, no fair value gains/(losses) were identified and recognised in the profit and loss.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

14. TRADE, OTHER AND RELATED PARTY PAYABLES

	September 2022 NZ\$	March 2022 NZ\$
Note	NZ\$	NZ\$
Trade payables	142,257	102,453
Accruals	28,537	65,000
Related party payables	29,800	144,974
Other payables	-	43,768
Total trade, other and related party payables	200,594	356,195

The normal trade credit terms granted to the Company range from 30 to 90 days. The trade creditors are unsecured and non-interest bearing. The carrying amount disclosed above is a reasonable approximation of fair value.

15. LOAN

	September 2022 NZ\$	March 2022 NZ\$
Note	NZ\$	NZ\$
Loan	600,000	-
Total loan	600,000	-

The \$600,000 one-year loan was borrowed from a related party of the Company (Crown Financial Services Limited) in August 2022.

16. RELATED PARTIES

Related Parties:

Brendon Partridge	Founding shareholder
Brent Douglas King	Shareholder and director of IRG and the Company
Cannabis and Bioscience	Shareholder and common directorship
CBC Greenfern	Shareholder and common directorship
Cannvalate Pty Ltd	Shareholder and common directorship
Daniel Casey	Founding shareholder & managing director
Daniel Leyden	Founding shareholder and director
Darryl Davies	Shareholder and director
Explore and Discover Pty Ltd ATF the DT Davies Family Trust	Company associated to company's director Darryl Davies
Andrew Jeffery(1J Capital)	Shareholder and contractor of GFI
Crown Financial Services Limited	Shareholder and common directorship
General Capital Limited	Common directorship
Jasper Mace	Shareholder and common directorship
Kirsten Taylor	Shareholder and director
Marvin Yee	Shareholder and director
Moneyonline Limited	Common directorship
Medical Assurance So	Company associated to company's share holder Prakash Appanna
Prakash Appanna	Shareholder
Prime Apartments Limited	Shareholder and common directorship
Prospect Road Investments Limited	Shareholder and common directorship
Investment Research Group (IRG)	Shareholder and common directorship
John Hussey(Fluidity)	Founding shareholder

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

16. RELATED PARTIES (continued)

Related Parties (continued):

Philip Wesley Brown	Shareholder and director
Renewable Power Limited	Shareholder and common directorship
Simon McArley	Shareholder and director
Sarah Leyden	Spouse of Daniel Leyden
Timothy Johnson	Founding shareholder and director
GFI Pharma Limited	Subsidiary with 100% ownership
GFI Pharma Pty Limited	Subsidiary with 100% ownership
Greenfern Hemp Limited	Subsidiary with 100% ownership
Greenfern Power Limited	Subsidiary with 100% ownership
Mato Limited	Subsidiary with 100% ownership
Greenfern Industries Limited(Thailand)	Associate with 49% ownership
Sustainable Food Ltd	Associate with 20% ownership

Related party balances

The following balances were held with related parties at period end.

	Nature of Transactions	September 2022	March 2022
		NZ\$	NZ\$

Related Party Receivables

Cannvalate Pty Ltd	Sales of products	40,192	17,716
Sustainable Food Ltd	Sales of products	8,623	11,033
		48,815	28,749

Related Party Payables

Cannvalate Pty Ltd	Patient acquisition fee and storage fee	-	144,974
CyberCom Technologies Limited	Director fee	4,500	-
Total Explore and Discover Pty Ltd ATF the DT Davies	Director fee	4,500	-
Moneyonline Limited	Director fee	9,563	-
Prime Assets NZ Limited	Director fee	4,500	-
Dan Casey	Director fee	3,025	-
Kirsten Taylor	Director fee	1,688	-
Simon Mcarley	Director fee	2,025	-
		29,800	144,974

Prepayments

Cannvalate Pty Ltd	Prepayment of services	387,607	273,995
Philip Wesley Brown	Prepayment	10,417	72,917
		398,024	346,912

The related parties balances are non-interest bearing and unsecured. There is no collateral or guarantees for related parties receivables & payables.

Related party transactions:

Related party transactions	September 2022	September 2021
	NZ\$	NZ\$

Sales of products or services provided to the following:

Sustainable Food Ltd	13,224	9,806
Cannvalate Pty Ltd	348,268	-
	361,492	9,806

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

16. RELATED PARTIES (continued)

	September 2022	September 2021
	NZ\$	NZ\$
Related party transactions		

Purchases from the following for services, products provided:

Investment Research Group Ltd	-	139,200
John Hussey(Fluidity)	-	88,696
Cannvalate Pty Ltd	327,956	
1J Capital	8,400	
Philip Brown	114,584	62,500
	450,939	290,396

Directors Fees

CyberCom Technologies Limited	15,000	-
Explore and Discover Pty Ltd ATF the DT Davies Family Trust	15,000	-
Moneyonline Limited	22,500	-
Prime Assets NZ Limited	15,000	-
Dan Casey	15,000	-
Kirsten Taylor	15,000	-
Simon Mearley	18,750	-
	116,250	-

Share capital received

CBC Greenfern	-	401,400
	-	401,400

Loan received

Crown Financial Services Limited	600,000	-
	600,000	-

Payments for investments - shares purchased

Sustainable Food Limited	-	50,000
	-	50,000

Salaries paid

Sarah Leydon	1,306	2,700
	1,306	2,700

Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the directors, chief executive and senior management. Remuneration paid to key management personnel is as follows:

	September 2022	September 2021
	NZ\$	NZ\$
Salaries and other short-term benefits	198,011	90,825
Director fees	116,250	-
Total	314,261	90,825

17. COMMITMENTS AND CONTINGENCIES

The Company has no capital commitments and contingencies at 30 September 2022.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

18. FINANCIAL INSTRUMENTS

The Company is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (a) Credit risk
- (b) Capital management
- (c) Liquidity risk
- (d) Other market risk
- (e) Interest rate risk
- (f) Fair valufs comparfd with carrying amounts

The board of directors have overall responsibility for identifying and managing operational and financial risks.

Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	September 2022 NZ\$	March 2022 NZ\$
31 March 2022		
Financial Assets:		
<i>Amortised cost</i>		
Cash and cash equivalents	307,982	849,361
Trade and related party receivables	51,023	38,914
Shares in unlisted entities	200	200
<i>Fair value through profit or loss</i>		
Shares in listed entities	-	7,052
Shares in unlisted entities	153,865	153,865
Total financial assets	513,070	1,049,392
Financial liabilities:		
<i>Amortised cost</i>		
Trade and other payables	200,594	312,425
Loan	600,000	-
Total financial liabilities	800,594	312,425

The specific financial risks that the Company is exposed to are discussed below.

(a) Credit risk

Financial instruments which potentially are subject to credit risk principally relate to bank accounts, trade receivables and other receivables. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

18. FINANCIAL INSTRUMENTS (continued)

Credit risk arises from balances held with banks. The credit risk is managed by holding all cash and cash equivalents with a New Zealand registered bank.

The Company's receivables balance are small. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to financial statements.

Exposure to credit risk

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade and other receivables by geographical region is as follows:

	September 2022 NZ\$	March 2022 NZ\$
Australia	40,192	17,716
New Zealand	10,831	21,198
Total trade and related party receivables	<u>51,023</u>	<u>38,914</u>

Expected credit loss assessment

No impairment losses on trade, other and related party receivables have been recognised in this period (2021: \$nil) based on the NZ IFRS 9 expected loss model assessment.

(b) Capital management

The capital structure of the Company consists of equity attributable to equity holders of the parent, comprising of issued capital and retained earnings. The Company's capital includes share capital net of accumulated losses with total shareholders' funds equal to \$2,627,749 (March 2022: \$3,564,096). The Board reviews the Company's capital structure regularly. The capital of the Company is monitored to ensure equity holder objectives are met, the primary of which is to ensure the Company provides a consistent return to its equity shareholders through a combinations of capital growth and distributions. The Company manages its capital to ensure the entities in the Company will be able to continue as going concerns. The current capital raising activities are as described in Note 23.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources, trade receivables and the provision of funding from related parties and bank loan facilities.

The following table outlines the Company's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Company can be required to pay.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

18. FINANCIAL INSTRUMENTS (continued)

	0 to 6 months NZ\$	7 to 12 months NZ\$	1 to 2 years NZ\$	Over 2 years NZ\$	Total NZ\$
2022 September					
<i>Financial liabilities:</i>					
Trade creditors and other payables	170,794	-	-	-	170,794
Related party payables	29,800	-	-	-	29,800
Loan	-	600,000	-	-	600,000
	200,594	600,000	-	-	800,594
2022 March					
<i>Financial liabilities:</i>					
Trade creditors and other payables	167,451	-	-	-	167,451
Related party payables	144,974	-	-	-	144,974
	312,425	-	-	-	312,425

(d) Other market risk

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Company faces the risk that the supply of cannabis products available in New Zealand will outstrip the demand, which may result in lower product prices, which in turn may have an adverse effect on the Company's financial performance.

(e) Interest rate risk

Interest rate risk is where the risk of loss to the Company from adverse changes in interest rates. The Company is exposed to interest rate risk if the Company is unable to repay its interest-bearing loan on time.

(f) Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in consolidated statement of financial position and notes to financial statements. The fair value of financial assets and financial liabilities are determined using standard terms and conditions of the relevant instruments. The method used in determining the fair values of financial instruments are discussed in note 1.2, 1.12 and 1.17.

19. INVESTMENT IN SUBSIDIARIES

(a) Subsidiaries

Name of subsidiary	Country of Incorporation	Principal activity	Ownership interest and voting rights	
			September 2022	March 2022
GFI Pharma Limited	New Zealand	Non-Trading	100%	100%
Greenfern Hemp Limited	New Zealand	Non-Trading	100%	100%
Greenfern Power Limited	New Zealand	Non-Trading	100%	100%
Mato Limited	New Zealand	Non-Trading	100%	100%
Greenfern Cultivation Limited	New Zealand	Non-Trading	100%	100%
GFI Pharma Pty Limited	Australia	Non-Trading	100%	100%

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

19. INVESTMENT IN SUBSIDIARIES (continued)

Ownership interest are the same as voting rights. All subsidiaries were incorporated in March 2021 and are non trading.

(b) Associates

Associate	Measurement basis	Quoted Fair value (if available)		Ownership interest and voting rights	
		September 2022	March 2022	September 2022	March 2022
Greenfern Industries Thailand	Equity Accounted	-	-	49%	49%
Sustainable Food Ltd	Equity Accounted	-	-	20%	20%

Greenfern Industries Thailand was incorporated in Thailand in 1 September 2020. The company is non trading. Greenfern Industries Limited (NZ) recognised \$nil profit or loss from the associate.

20. SEGMENT REPORTING

The Company's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments on an entity. The Company has determined the Company's Board of Directors as its chief operating decision-maker as the board is responsible for allocating resources and assessing the performance of the operating segments and making strategic and operating decisions. Income and expenses directly associated with each segment are included in determining each segment's performance.

The Company operates in a number of business segments in New Zealand and Australia. The Company has determined its operating segments into two segments which reflect the different type of industry sectors within which the Company operates. Information regarding the operations of each reportable operating segment is included below.

Cannabis and therapeutics products

The operations of this segment reflect the activities of manufacture and distribution of cannabis products.

Electricity generation

This segment includes the generation and distribution of electricity.

No operating segments have been aggregated to form the above reportable operating segments. There were no sales between segments of the Company during the year.

The following tables present revenue and profit information for the Company's operating segments for the six months ended 30 September 2022 and 2021, respectively:

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

20. SEGMENT REPORTING (continued)

	Cannabis and therapeutics products NZ\$	Electricity generation NZ\$	Year ended 31 March 2022 NZ\$
For the six months ended 30 September 2022			
Operating Income			
External Operating Revenue from customers	366,588	28,673	395,261
Total Revenue	366,588	28,673	395,261
Cost of sales	173,461	6,654	180,115
Operating Expenses			
Salary expenses	97,178	10,506	107,684
Depreciation	38,727	15,148	53,875
Other expenses	231,470	68,281	299,751
Total operating expenses	367,375	93,934	461,309
Segment profit/(loss) before tax	(174,248)	(71,915)	(246,163)

For the six months ended 30 September 2021

Operating Income			
External Operating Revenue from customers	9,227	35,248	44,475
Total Revenue	9,227	35,248	44,475
Cost of sales	31,077	-	31,077
Operating Expenses			
Salary expenses	50,825	9,640	60,465
Depreciation	34,484	11,983	46,467
Other expenses	144,992	46,086	191,078
Total operating expenses	230,301	67,709	298,009
Segment profit/(loss) before tax	(252,151)	(32,460)	(284,611)

Geographical segments

Revenue from external customers is attributed to geographical segments on the basis of the country the customer is trading in. Revenues from two related party customers of the Company's Cannabis and therapeutics products segment represented 91% (2021: 18%) of the Company's total operating revenue.

	September 2022 NZ\$	September 2021 NZ\$
External Operating Revenue		
Australia	348,268	-
New Zealand	47,237	44,475
External Operating Revenue	395,505	44,475

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

20. SEGMENT REPORTING (continued)

All assets, and liabilities were domiciled within New Zealand and Australia. The following tables present assets and liabilities information for the Company's operating segments as at 30 September 2022 and 31 March 2022, respectively:

	Cannabis and therapeutics products	Electricity generation	Total
	NZ\$	NZ\$	NZ\$
As at 30 September 2022			
Segment assets	1,693,196	976,393	2,669,589
Capital Expenditure	72,327	18,498	90,825
Segment Liabilities	24,769	-	24,769
As at 31 March 2022			
Segment assets	1,423,758	970,836	2,394,594
Capital Expenditure	296,469	185,642	482,111
Segment Liabilities	208,746	-	208,746

21. NET TANGIBLE ASSETS PER SHARE

The net tangible assets and number of shares are as follows:

	September 2022	March 2022
Note	NZ\$	NZ\$
Total assets	3,428,343	3,920,291
Less intangible assets	11,141	11,727
Tangible assets	3,417,202	3,908,564
Less total liabilities	800,594	356,195
Net tangible assets	2,616,608	3,552,369
Number of ordinary shares on issue	6	84,960,384
Net tangible assets / liabilities per share in NZ\$	0.030483	0.041812

22. LEASES

Short-term leases and leases for low value assets

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred on a straight line basis.

GREENFERN INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

22. LEASES(continued)

Lease payments for the following short-term leases and leases for low value assets expensed to profit or loss on a straight line basis are as follows:

	September 2022 NZ\$	September 2022 NZ\$
Lease of motor vehicle	7,152	6,368
Lease of plant and equipment	2,051	4,900
Lease of land	2,400	3,200
Lease of desk space	3,000	1,350
	14,603	15,817

The Company has no other leases or right of use assets.

23. EVENTS AFTER THE REPORTING PERIOD

The outcome of the Company's current capital raising activities was as below:

Stage 1 Wholesale Offer

In October 2022, An amount of \$64,374 was raised with 559,775 Ordinary Shares were issued under GFI's wholesale investors offer for NZ\$0.11500 per Ordinary Share.

Stage 2 Rights Offer

On 30 September 2022, GFI announced the launch of a 1 for 1.3736 renounceable rights issue at a price of \$0.08 per new share. Application was closed at 5:00pm on 27 October 2022. An amount of \$1,740,684 was raised with 21,758,547 ordinary shares were issued on 3 November 2022.

The total number of shares after the issue is 108,156,364.

There has been no other matter or circumstance, which has arisen since 30 September 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 September 2022, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 September 2022, of the Company.

24. SEASONALITY OF INTERIM OPERATIONS

There are no significant seasonality or cyclicity of business affecting the interim operations.

GREENFERN INDUSTRIES LIMITED

CORPORATE INFORMATION

SOLICITORS

Flacks & Wong Limited
Level 5, Shortland Chambers Building
70 Shortland Street
PO Box 591
Auckland 1140
New Zealand

SHARE REGISTRAR

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Private Bag 92-119
Auckland 1142

FINANCIAL ADVISER

Investment Research Group Limited
PO Box 106 488
Level 8, General Capital House
115 Queen Street
Auckland 1040

AUDITORS

Crowe
Private Bag 90106
173 Spey Street, Invercargill

BANK

BNZ Bank
Hamilton Store
Garden Place
354 Victoria Street
Hamilton
Phone 0800 275 269

Greenfern Industries Limited

Security code: GFI
Listed on NZX Market
NZ Company number: 6804155

HEAD OFFICE / REGISTERED OFFICE

Greenfern Industries Limited
Level 8, General Capital House
115 Queen Street
Auckland 1040

TELEPHONE

+64 (9) 3040145

WEBSITE

www.gfi.nz