

Consolidated Profit and Loss Statement

For the 6 months ended 31 December 2024

Unaudited

	Group		
	December	June	December
	2024	2024	2023
	\$000	\$000	\$000
	6 months		6 months
Commission and fee income	8,794	16,497	7,274
Sale of goods	9,822	10,381	9,442
Interest income	437	328	149
Other Income	307	422	248
Total Income	19,360	27,628	17,113
Cost of goods sold	(8,047)	(7,703)	(6,918)
Personnel expenses	(4,977)	(9,428)	(4,719)
Depreciation and amortisation	(611)	(1,165)	(627)
Operating expenses	(2,930)	(5,681)	(2,595)
Total Expenses	(16,565)	(23,977)	(14,859)
Finance Costs	(375)	(565)	(309)
Operating Profit before tax	2,420	3,086	1,945
Gain on Sale of Property	66	4,229	-
Profit before tax	2,486	7,315	1,945
Profit after tax	2,447	6,919	1,911
Total comprehensive income	2,447	6,919	1,911
Profit attributable to:			
Shareholders of Allied Farmers Limited ('Allied')	1,884	5,206	1,423
Non-controlling shareholders of NZ Farmers Livestock Limited ('NZFL')	563	1,713	488
Allied Earnings per share (cents) - Basic	6.54	18.07	4.94
Weighted average number of shares - Basic (000's)	28,806	28,806	28,806
Allied Earnings per share (cents) - Diluted	6.45	17.98	4.92
Weighted average number of shares - Diluted (000's)	29,189	28,950	28,950

Consolidated Statement of Other Comprehensive Income

For the 6 months ended 31 December 2024

	Group		
	December	June	December
	2024	2024	2023
	\$000	\$000	\$000
	6 months		6 months
Profit after tax	2,447	6,919	1,911
Amounts Not Reclassified Through Profit and Loss			
Change in value of investment in equity securities	(171)	(371)	(112)
Total comprehensive income	2,276	6,548	1,799

Consolidated Statement of Cash Flows

For the 6 months ended 31 December 2024

Unaudited

	Group		
	December 2024	June 2024	December 2023
	\$000	\$000	\$000
	6 months		6 months
Cash flows from/(to) operating activities			
Cash receipts from customers	20,794	26,819	20,483
Interest received	437	328	149
Cash paid to suppliers and employees	(16,872)	(23,862)	(19,488)
Interest paid	(375)	(565)	(309)
Income tax (paid)/received	(66)	(621)	(581)
Net cash flow from operating activities	3,918	2,099	254
Cash flows from/(to) investing activities			
Decrease (Increase) in finance receivables NZ Farmers Livestock Finance Ltd	(2,251)	67	(1,824)
Dividend income from New Zealand Rural Land Company Ltd	(50)	-	-
Loan Advance - Schwarz Dairies	(3,000)	-	-
Investment New Zealand Rural Land Management Partnership	-	(2)	-
Net disposal/(acquisition) of intangibles, property, plant and equipment	(10,608)	358	(676)
Sale of Saleyards	156	5,910	-
Net cash flow from/(used in) investing activities	(15,753)	6,333	(2,500)
Cash flows from/(to) financing activities			
Drawdown (Repayment) of Heartland borrowings	(306)	(951)	(500)
Drawdown of term debt	10,555	-	-
Share capital cancellation	(1,908)	-	-
Dividends paid to Non-Controlling Shareholders in Subsidiaries	(257)	(678)	(533)
Drawdown (Repayment) of Vehicle Finance Borrowings	(96)	(1,062)	76
Net cash flow used in financing activities	7,988	(2,691)	(957)
Net movement in cash and cash equivalents	(3,847)	5,741	(3,203)
Opening cash and cash equivalents	9,524	3,783	3,783
Closing cash and cash equivalents	5,677	9,524	580
Reconciliation of Profit to Cash Surplus from Operating Activities			
Profit for the year	2,447	6,919	1,911
<i>Adjustments for items not involving cash flows:</i>			
Impairment on receivables	20	39	20
(Profit)/loss on sale of assets	(98)	(47)	(57)
(Profit)/loss on sale of Saleyards	(66)	(4,229)	-
Depreciation and amortisation	611	1,165	627
(Increase) Decrease in Deferred Tax	-	(140)	(468)
Other - including non cash items	(901)	(365)	(60)
	(434)	(3,577)	62
Movement in trade and other receivables	2,549	612	3,383
Movement in inventories	240	12	(390)
Movement in trade, other payables and employee benefits	(858)	(1,245)	(4,791)
Movement in taxation	(26)	(621)	79
Cash flow from operating Activities	3,918	2,099	254

Consolidated Balance Sheet

As at 31 December 2024

Unaudited

	Group		
	December 2024	June 2024	December 2023
	\$000	\$000	\$000
Equity			
Share capital	158,204	158,204	158,204
Accumulated Losses and Reserves	(134,590)	(136,299)	(139,823)
Equity attributable to owners of the Parent	23,614	21,905	18,381
Non-controlling interests	1,090	2,688	1,608
Total equity	24,704	24,593	19,989
Liabilities			
Trade and other payables	7,497	8,392	5,113
Employee benefits	1,264	1,226	958
Bank borrowings	660	867	542
Lease liabilities	905	804	535
Total current liabilities	10,326	11,289	7,148
Bank borrowings	1,743	1,842	2,618
Term Loans	10,555	-	-
Lease Liabilities	1,233	1,431	1,110
Total non-current liabilities	13,531	3,273	3,728
Total liabilities	23,857	14,562	10,876
Total liabilities and equity	48,561	39,155	30,865
Assets			
Cash and cash equivalents	5,677	9,524	580
Trade Receivables	6,940	9,471	6,412
Inventories	-	240	642
Income tax receivable	32	6	-
Finance receivables	3,689	1,438	3,330
Other receivables	227	22	330
Total current assets	16,565	20,702	11,294
Deferred tax assets	1,464	1,464	1,792
Goodwill	742	742	742
Intangible assets	9,661	9,942	10,223
Investment - New Zealand Rural Land Company Limited	3,535	2,997	2,355
Investments - Other	26	8	18
Loan Advance	3,000	-	-
Property - owned	11,807	1,492	2,796
Property - right of use assets	1,761	1,808	1,645
Total non-current assets	31,996	18,453	19,571
Total assets	48,561	39,155	30,865
Net Tangible Assets per Share - Consolidated (\$ per share)	0.50	0.48	0.31
Net Tangible Assets per Share - attributable to Allied (\$ per share)	0.47	0.40	0.27

Note: net tangible assets is a non-GAAP disclosure and calculated as equity from which is deducted goodwill and intangible assets

The Board of Directors of Allied Farmers Limited authorised these financial statements for issue on 28 February 2025.



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Consolidated Statement of Changes in Equity

Components that make up the capital and reserves of the Group and the changes of each during the period.

For the 6 months ended 31 December 2024

Unaudited

Group	Share Capital	Accumulated losses	Revaluation Reserve	Allied Shareholders Interests	Non-Controlling Shareholders Interests	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2023	158,204	(140,276)	(858)	17,070	1,653	18,723
Profit after tax for the period	-	1,423	-	1,423	488	1,911
Revaluation of Equity Securities	-	-	(112)	(112)	-	(112)
Total comprehensive income for the period	-	1,423	(112)	1,311	488	1,799
Dividends paid to Non-Controlling Interests	-	-	-	-	(533)	(533)
Total transactions with owners	-	-	-	-	(533)	(533)
Balance at 31 Dec 2023	158,204	(138,853)	(970)	18,381	1,608	19,989
Balance at 1 January 2024	158,204	(138,853)	(970)	18,381	1,608	19,989
Profit after tax for the period	-	3,783	(259)	3,524	1,080	4,604
Total comprehensive income for the period	-	3,783	(259)	3,524	1,080	4,604
Dividends paid to Minority Interests	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 30 June 2024	158,204	(135,070)	(1,229)	21,905	2,688	24,593
Balance at 1 July 2024	158,204	(135,070)	(1,229)	21,905	2,688	24,593
Profit after tax for the year	-	1,884	-	1,884	563	2,447
Revaluation of Equity Securities	-	-	(171)	(171)	-	(171)
Total comprehensive income for the period	-	1,884	(171)	1,713	563	2,276
Share capital cancellation	-	(4)	-	(4)	(1,904)	(1,908)
Dividends paid to Non-Controlling Interests	-	-	-	-	(257)	(257)
Total transactions with owners	-	(4)	-	(4)	(2,161)	(2,165)
Balance at 31 December 2024	158,204	(133,190)	(1,400)	23,614	1,090	24,704

A Financial performance

In this section

A1 How we operate and generate returns for shareholders

Livestock services: An agency business facilitating livestock transactions and the procurement and export of veal. Note: The Livestock activities are influenced by seasonality. Livestock Sales are normally stronger in the Autumn season and calf sales traditionally occur mainly in the first half of the financial year.

Financial services: Providing and referring livestock finance to farmer clients.

Rural Land Management: New Zealand Rural Land Management Limited Partnership (NZRLM) - the contracted asset manager of New Zealand Rural Land Company Limited (NZL), including a management agreement with RoC Partners.

Parent operations: The ultimate holding company for Allied Group's investments and governance activity for the Group.

Segment information (Unaudited)

	Livestock Services			Financial Services			Rural Land Management			Parent Operations			Total		
	December	June	December	December	June	December	December	June	December	December	June	December	December	June	December
	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Commission and fee income	7,076	13,126	6,196	2	21	17	1,716	3,350	1,061	-	-	-	8,794	16,497	7,274
Sale of goods	9,822	10,381	9,442	-	-	-	-	-	-	-	-	-	9,822	10,381	9,442
Interest income	180	253	114	78	75	35	-	-	-	179	-	-	437	328	149
Other Income *	8	78	53	177	344	195	-	-	-	122	-	-	307	422	248
Total Income	17,086	23,838	15,805	257	441	247	1,716	3,350	1,061	301	-	-	19,360	27,628	17,113
Cost of goods sold	8,047	7,703	6,918	-	-	-	-	-	-	-	-	-	8,047	7,703	6,918
Personnel expenses	4,680	8,881	4,502	55	108	54	190	343	115	52	96	48	4,977	9,428	4,719
Depreciation and amortisation	349	645	367	-	-	-	262	520	260	-	-	-	611	1,165	627
Operating expenses	2,117	3,671	2,011	21	42	24	134	829	190	658	1,139	370	2,930	5,681	2,595
Total Expenses	15,193	20,900	13,798	76	150	78	586	1,692	565	710	1,235	418	16,565	23,977	14,859
Finance Costs	(108)	(181)	(78)	(56)	(83)	(69)	(121)	(301)	(162)	(90)	-	-	(375)	(565)	(309)
Operating Profit/(loss) before tax	1,785	2,757	1,929	125	209	100	1,009	1,357	334	(499)	(1,235)	(418)	2,420	3,086	1,945
Gain on Sale of Property	66	4,229	-	-	-	-	-	-	-	-	-	-	66	4,229	-
Profit/(loss) before tax	1,851	6,986	1,929	125	209	100	1,009	1,357	334	(499)	(1,235)	(418)	2,486	7,315	1,945
Income tax (expense) / benefit	-	-	-	-	-	-	-	-	-	-	-	-	(39)	(396)	(34)
Profit/(loss) after tax	1,851	6,986	1,929	125	209	100	1,009	1,357	334	(499)	(1,235)	(418)	2,447	6,919	1,911
Current Assets	10,010	17,321	7,043	3,689	1,438	3,330	1,065	1,612	747	1,802	331	174	16,566	20,702	11,294
Investments in NZL	-	-	-	-	-	-	-	-	-	3,535	2,997	2,355	3,535	2,997	2,355
Other Non-Current Assets	8,280	5,517	7,028	100	100	100	9,581	9,839	10,088	10,500	-	-	28,461	15,456	17,216
Assets	18,290	22,838	14,071	3,789	1,538	3,430	10,646	11,451	10,835	15,837	3,328	2,529	48,562	39,155	30,865
Current Liabilities	6,286	9,848	3,582	3,000	-	2,800	823	1,105	624	218	336	142	10,327	11,289	7,148
Non-Current Liabilities	1,289	1,431	1,110	-	-	-	1,743	1,842	2,618	10,500	-	-	13,532	3,273	3,728
Liabilities	7,575	11,279	4,692	3,000	-	2,800	2,566	2,947	3,242	10,718	336	142	23,859	14,562	10,876
Additions of Property, Plant and Equipment, and Right of Use assets	534	2,043	709	-	-	-	-	-	-	10,500	-	-	11,034	2,043	709

* Other Income in the Financial Services segment includes referral fee income from Heartland Bank Limited to 31 December 2024 \$176,822 (December 2023: \$178,439)

* Gain on sale relates to the sale of an Allied Group property asset disposed of during the year.

Measurement and Recognition

Commission income on facilitating a livestock sale agreement, grazing agreement or forward livestock sale agreement is recognised when the sale is agreed by a vendor and purchaser, net of rebates. The Group is acting as an agent as it doesn't have inventory risk and isn't able to set a price.

Forward delivery contracts in relation to herd sales on which commission income is earned contain an element of variable consideration due to the timeframe between when the sale is agreed and its completion. At year end the variable consideration is taken account of in the revenue recognised.

Sale of goods (veal meat and skins) revenue is recognised once goods are delivered to the customer.

Fee income relates to RFID scanning fees, yard fees charged at saleyards and valuation fees. The income is recognised when livestock are scanned, a sale is agreed within the auction or when the livestock are weighed. The Group is acting as a principal as it is primarily responsible for the service rendered and is able to set a price.

Fees charged to customer accounts in arrears are recognised as income at the time the fees are charged.

Income from referring customers to Heartland Bank Limited is recognised when the financing transaction is agreed between Heartland Bank Limited and the

All income noted above is recognised at a point in time, in accordance with NZ IFRS 15, and performance obligations are met upon delivery of goods.

Revenue by NZRLM from property management fees, performance fees and transaction fees are recognised as revenue in the accounting periods in which the services are rendered, which is when they satisfy their performance obligations to NZL.

The Performance fees are determined based on the net asset value of the underlying fund and is settled in NZL shares. Half of the shares issued are subject to escrow arrangements for 5 years after the performance fee is payable.

Finance receivables interest income is recognised using the effective interest method. The calculation of the effective interest rate includes all fees that are integral to the effective interest rate. All fees except those charged to customer accounts in arrears are considered to be integral to the effective interest rate.

The shares in New Zealand Rural Land Company Limited are equity investments quoted in an active market which the Group has elected to designate as a financial asset at fair value through Other Comprehensive Income. The fair value of these shares at 31 December 2024 is \$3,535,497 (June 2024: \$2,997,328; December 2023: \$2,355,039).

In September 2024, Allied Farmers Limited (through AFLA Limited, a wholly owned subsidiary formed for the purpose) agreed to acquire four pieces of land in Waikato from the mortgagee of those pieces of land. The purchase price for the land and buildings was \$10.5 million. In return the Allied Farmers Limited subsidiary assumed a mortgage debt of equivalent amount - \$10.5 million. The terms of the loan are:

- the loan is repayable in three years from the drawdown date in September 2024.
- interest at the rate of 1% per annum is payable in monthly instalments.
- further interest capitalises until maturity at the rate of 1.59% per annum but does not exceed in total \$500,000

The loan is secured over 4 properties with a GSA over AFLA. Note however there is no exposure to Allied Farmers Limited as the securities are against the wholly owner subsidiary only. Since acquisition of the properties and drawdown of the loan on 4 September 2024 rental has been received and applied towards the payment of rates, resource consent, legal fees and tax advice. This is reflected in Parent Operations in the Segment note above.

In September 2024, Allied Farmers Limited advanced \$3,000,000 to a substantial farming dairy farming operation based in the South Island. The loan is secured against assets and milk income. The interest rate on the loan is 15% per annum, paid monthly. The loan is for a 3-year term with principal reductions commencing in 12 months' time over the remaining 2-year term of the loan.

As a result of a refinancing within the same Group of companies to which the loan above relates, in February 2025 this loan was replaced by a new \$3m loan. The replacement borrower is an entity within the same Group to whom the original loan was made. The new loan is also supported by a guarantee from another entity also from within the same group. The term of the loan is 3 years from 1 March 2025 at the same interest rate with interest also being paid monthly. Principal reductions of \$500k are also to be made on each of 20 April 2026 and 20 April 2027. The replacement loan is secured by a GSA over the assets of both the borrower and the guarantor. This is also reflected in Parent Operations in the Segment note above.

Group unrecognised deferred tax assets comprise unused tax losses as at 31 December 2024 which are estimated at total \$175,763,182 (June 2024: \$178,126,791). The ability to utilise tax losses, given the age of the losses, is dependent upon continuing to meet shareholder continuity requirements of prevailing income tax legislation.

A3 Earnings Per Share

	Group		
	December	June	December
	2024	2024	2023
	\$000	\$000	\$000
Profit attributable to shareholders of Allied Farmers Limited			
- Basic and diluted	1,884	5,206	1,423
Weighted number of shares			
- Basic	28,806	28,806	28,806
- Diluted*	29,189	28,950	28,950
Earnings per share (cents)			
- Basic	6.54	18.07	4.94
- Diluted	6.45	17.98	4.92

*144,032 Performance Share Rights were issued to the Managing Director under a long term incentive scheme effective from 1 July 2023 during the year ended 30 June 2024. A further 144,032 were issued in November 2024 and 95,000 were issued to employees of the company in September 2024. Apart from these there are no other changes during the year, nor are there any dilutive potential shares / warrants/ options or convertible instruments at the end of either the current or preceding year.

About this report

Allied Farmers Limited is a for-profit entity domiciled in New Zealand and registered under the Companies Act 1993. The company is an FMC Entity in terms of the Financial Markets Conduct Act 2013 and prepares its financial statements in accordance with that Act, the Financial Reporting Act 2013, and NZX Main Board Listing Rules.

The consolidated financial statements are for Allied Farmers Limited and its subsidiaries (together referred to as "Allied") and Allied's interests in associates as at the six months ending 31 December 2024.

These interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements. Unless otherwise specified, the same accounting policies and methods of computation are followed in the interim consolidated financial statements as applied in the Group's latest annual audited consolidated financial statements.

These Consolidated Financial Statements ("Financial Statements") have been approved for issue by the Board of Directors on 28 February 2025.

Statement of compliance and basis of preparation

The financial statements have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP) in New Zealand and comply with International Financial Reporting Standards (IFRS) and the New Zealand equivalents to IFRS (NZ IFRS) and other applicable financial reporting standards, as appropriate for a Tier 1 for-profit entity;
- on the basis of going concern, the directors, having considered projected future performance and the availability of financing, consider the going concern basis to be appropriate;
- presented on the basis of historical cost (except for certain financial assets measured at fair value); and
- in New Zealand dollars, with all values rounded to the nearest thousand dollars unless otherwise stated.

In preparing the Group financial statements, all material intragroup transactions, balances, income and expenses have been eliminated. Subsidiaries are consolidated on the date on which control is obtained to the date on which control is lost.

Critical Judgements and Estimates

The financial statements have been prepared using significant estimates and critical judgements disclosed in the 2024 Annual Report.

- Note A1 Revenue recognition
- Note A2 Deferred tax asset recognition
- Note C4 Intangibles recognition and measurement (including impairment testing)
- Note D2 Goodwill impairment assessment