

28 February 2025

HALF YEAR 2025 REPORT

Unaudited Half Year Consolidated Result

The Directors of Allied Farmers Limited (ALF.NZX) report an unaudited consolidated net profit before tax (NPBT) of \$2.486 million for the six months ended 31 December 2024. This is 27.81% higher than NPBT of \$1.9 million for the six months ended 31 December 2023.

The following table summarises consolidated NPBT over the previous interim periods from Allied Farmers' investments and Parent Company Operations:

Interim Period (1/7 – 31/12)	NZ Farmers Livestock * (livestock agency, meat export and finance) (\$m)	NZ Rural Land Management (asset management) (\$m)	Parent Company Cost of Operations (\$m)
2019	1.7	-	(0.4)
2020	0.8	-	(0.3)
2021	1.5	0.3**	(0.4)
2022	2.0	0.4**	(0.3)
2023	2.0	0.3	(0.4)
2024	2.0	1.0	(0.5)

*Reported figures detail 100% of the NPBT for NZFL – Allied Farmers only owns 67% of this business. Allied Farmers is required to report on a consolidated basis but has detailed an unconsolidated position below.

** NZRLM profit attributable to Allied Farmers' shareholders (as owner of 50% of NZRLM at that time) equity accounted

Profit attributable to Allied Farmers's shareholders reflecting its 67.7% ownership of NZFL and 100% of NZRLM

The HY25 after tax profit attributable to Allied Farmers' shareholders was \$1.884 million (HY24 \$1.423 million). Earnings per share (EPS) for HY25 was \$0.0654 (HY24 \$0.0494).

Dividend

Consistent with previous interim periods, no dividend will be paid for the period, as the Company continues to utilise tax losses and therefore paying unimputed dividends does not make sense. The Board strongly believes that in the short term, retaining and redeploying earnings is in shareholders' best interests.

Tax Losses

The estimated tax losses available at 31 December 2024 are \$175,763,182 (HY23: \$178,712,009).

The ability to utilise the tax losses is dependent on continuing to meet shareholder continuity requirements of prevailing income tax legislation.

Loans

In September 2024, Allied Farmers Limited (through an SPV) acquired land and buildings in the Waikato from the mortgagee for \$10.5 million. In return the SPV assumed a mortgage debt of equivalent amount. The loan is secured over the 4 properties with a GSA over the SPV, but there is no exposure to Allied Farmers as the securities are against the SPV only.

Also in September 2024, Allied Farmers advanced \$3,000,000 to a substantial farming dairy farming operation in South Canterbury to fund its working capital. The loan is secured by a first ranking GSA over the asset of the borrower, a first ranking security over milk supply and milk proceeds agreements of the borrower and a personal guarantee from the owner of the farming operation.

Business Segment Reports

New Zealand Farmers Livestock Limited (NZFL) – 67.7% owned:

NZFL reports an encouraging half year result in line with the previous half year, driven by an improved core agency result and growing finance contribution, but a reduced (on LY) veal business result.

The livestock agency performance reflects good tallies and strong prices across all sectors. The veal business result reflects product pricing movements and lower number. The modest scale of the autumn veal campaign means that this veal contribution is not expected to move materially to FY.

High dairy stock values may support increased farm and herd sales through the second half. Herd forward sale YTD tallies are running well above last YTD. It is too early to forecast the second half for herds, but FY earnings in this area should be bolstered by the high stock values. Most herds' earnings are not accounted for until forward contracts complete in the second half.

The livestock financing business earnings were higher than the previous half year. Directors remain pleased with the growth and prospects and its contribution to clients' businesses.

Directors and staff also wish to acknowledge the huge contribution to our business and to farming, over many years, of Redshaw Livestock director and agent Malcolm MacDonald. Malcolm was tragically lost to us in early February.

NZFL Outlook:

NZFL remains focused on building and refining its service and offerings to clients, developing its digital presence and maximizing agency earnings performance through the balance of what, in the absence of any major disruption, looks a positive year for NZ farmers.

Directors are optimistic that NZFL agency performance will continue the strong improvement reported, to deliver a creditable full year NZFL result.

NZ Rural Land Management Limited Partnership (NZRLM) – 100% owned

NZRLM is the external manager of NZX-listed New Zealand Rural Land Company Limited (NZL).

NZL completed two previously announced asset transactions (Apple Orchard and Forestry) in the HY to 31 December 2024 and was paid lease signing and transaction fees of \$0.12m in the period. In addition, NZL's rural portfolio increased in value, from which NZRLM received performance fees. The performance fees are paid to NZRLM by the issue of NZL shares.

NZRLM Outlook:

The outlook for NZRLM remains positive, driven by a larger opportunity set for NZL and an expanding international investor base at NZL. NZL continues to perform well, posting a record profit and AFFO for December 2024 (FY 2024) year-end).